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THE  
INDONESIAN  
STORY



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# THE INDONESIAN STORY

The Birth, Growth and  
Structure of the  
Indonesian Republic

CHARLES WOLF, Jr.

*Issued under the auspices of the  
American Institute of Pacific Relations*

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**To**  
**T. W.**



## PREFACE

It is not surprising that the islands of the Indies have more than once been referred to as the cultural "melting pot of Asia." The founding of the Hindu kingdom of Taruma in Western Java brought the rich heritage of ancient India to Indonesia over 1200 years ago. Later, pilgrims from India introduced Gautama's teachings to the islands, and in the 8th and 9th centuries Buddhism reached its apogee with the hegemony of the Sumatran Empire of Shrivijaya. The remarkable Borobodur, with its countless carved stone figures of the Buddha, still stands in Middle Java as a monument to Buddhist art.

In the 14th century the Madjapahit Empire, extending from New Guinea in the East to Sumatra in the West, brought about a fusion of the Brahman-Buddhist strains in Indonesian culture. Madjapahit later fell before the crusading vigor of Islam. By the end of the 15th century Mohammedanism had been accepted in all of Java and thence it spread to other parts of the archipelago. The acceptance of Islam was in many cases merely nominal. To this day Hindu influence remains in Indonesia as a sort of subtle pantheism, combined with a naturalist paganism in the more remote parts of the islands. In Bali and several of the remoter parts of Indonesia, Islam has never been adopted. There the Brahman-Buddhist-naturalist traditions have endured to the present day, still basically unchanged.

Western penetration into Indonesia began in the 16th century with the arrival of the Portuguese, who were ousted in 1595 by the Dutch. Gradually bringing the outer islands under formal control, the Dutch erected a colonial structure which was to last until World War II. But as the Dutch colonial structure matured, Indonesian nationalism evolved. The nationalist movement gathered increasing momentum after the turn of the century. When the Japanese occupied the islands at the start of 1942, it grew at an accelerated pace and with Japan's surrender, the nationalists prepared for what they hoped would be a new era in Indonesia's history. On August 17,

1945, the Republic of Indonesia proclaimed its independence. This is where the present book begins.

For the people of Indonesia, the surrender of the Japanese to the Allies meant the beginning rather than the end of war; or more precisely, it meant the beginning of *their* war and the end of a foreign war. They had been affected by World War II. It had been waged partly on their lands and seas. They had suffered during four years under a Japanese misrule harsher than anything they had experienced during three hundred and fifty years of Dutch colonialism. But in Indonesia, and the other areas of Southeast Asia, the people had never really become a party to or partisans of the war. There were small pro-Ally resistance groups in Indonesia, and a few ardent Japanese supporters as well. But in general, World War II remained for the people of Indonesia a struggle among alien forces.

During the Japanese occupation, the seeds of Indonesian nationalism burgeoned. To some degree this was the result of Japanese propaganda. To a larger degree it was independent of Japanese influence and quite often a reaction against it. Starting from the assumption that the Japanese overlord was only a temporary master, the intellectual leaders of the nationalist movement in Indonesia began to prepare for their real problem: resistance to a post-war restoration of colonialism. Taking advantage of the opportunity, they began the task of organizing and mobilizing the ignorant masses of the population in preparation for the future. They collaborated with the Japanese to secure these ends. They also supported the Japanese propaganda of "Greater East Asia" and "Asia for the Asiatics" largely because it was a useful and practical tool. The Japanese gave the people of Indonesia sufficient grievances against them to make antipathy against the Japanese keener there, two and a half years after the occupation, than it is today in the United States. Yet the nationalist leaders were in many cases willing to collaborate because of the ends they had in view. Much had been done toward the achievement of these ends when the Japanese capitulated, and the struggle for a new Indonesia began.

This was the position in Indonesia when the British prepared to re-occupy the islands in September 1945. Much of the background is feeling and impression—psychological and emotional—which permeated almost all of Southeast Asia at the time of re-occupation. The forces of the past and of the future met and began to be resolved, as opposing political and sociological forces usually are, partly by statesmanship and partly by military pressure. This book

deals with the meeting and resolution of these forces. More particularly, it deals with the political and economic struggle which has been going on in Indonesia since 1945 and with the young Republic's record during this turbulent period. Notwithstanding the extremely fluid situation prevailing at the time of writing, an attempt has been made to analyze the Republic's longer-range prospects, and to suggest their implications.

Many of the issues discussed are highly controversial. Both the Indonesian and Dutch viewpoints are held strongly, if not violently, by their adherents. A sincere effort has been made to be objective in the analysis; that is, to present each side of the controversy in its own terms and from its own point of view. Where comparison and evaluation are undertaken, I have tried to be fair. It is, however, not always easy or valid to subsume the irrational components of revolution under the rational. Nevertheless, on both sides of the dispute, material which was felt to contribute heat rather than light has been left out. Where value judgments have been made, I think they will stand out clearly as such to the reader. Reactions and comments elicited by the manuscript prior to printing have indicated that the above efforts will not prove fully satisfactory to either Dutch or Indonesian partisans. That is probably unavoidable.

It should be noted that the scope of the present work is necessarily limited. No attempt has been made to deal with cultural developments in modern Indonesia. Only brief reference has been made to the complicated problem of Chinese and Eurasian minority groups. Nor is the presentation of Republican economics as complete or analytical as would be warranted in a work of more exhaustive scope. Finally, limitations of time and space have made it impossible to discuss fully certain aspects of events in Indonesia which are of particular interest to the student of international law, e.g. the issues connected with *de facto* and *de jure* sovereignty, recognition, etc.

Attention is called to the seeming anomaly that in Chapter VIII and in earlier chapters, Dr. Hatta is referred to as the Republic's vice-president, whereas in Chapter IX an account is given of the cabinet crisis of January 23, 1948, which led to Hatta's designation as Prime Minister and cabinet *formateur*. The inconsistency was due to a substantial rewriting of Chapter IX after the earlier chapters were already in print. Since completion of the manuscript, the Security Council's Committee of Good Offices has received official commendation from the Council for its work in bringing about the Renville truce agreement and the political principles of January 17,



1948. With the major part of its work still lying ahead, the Committee has returned from Lake Success to Indonesia to launch the second phase of its task: implementation of the truce and assistance to the parties in framing a final political settlement. After several incidents in mid-April, which threatened to nullify the Committee's earlier work, negotiations between the parties, under the Committee's auspices, appear ready to begin anew. Decisive results remain to be achieved.

Much of the material used was derived from personal observation and experience in Indonesia during the period February 1946 to June 1947, when the author was a vice-consul in Batavia. For documentary material which has been made use of, I am indebted to Dr. N. A. C. Slotemaker de Bruine of the Netherlands Embassy in Washington, Dr. H. J. Friedericy and Dr. B. Landheer of the Netherlands Information Bureau in New York, and the Messrs. Charles Thamboe, Soedjatmoko Mangoendiningrat and Soedarpo Sastrosatomo of the Republican Ministry of Information. The manuscript was read by Miss Virginia Thompson, Professor Raymond Kennedy, Mr. Richard Adloff, and Mr. Bruno Lasker, whose comments have been of considerable value. I am also grateful for the suggestions and criticisms which Mr. William L. Holland of the Institute of Pacific Relations has offered at various stages in the preparation of the manuscript. The Institute, though sponsoring the publication of the book, does not assume responsibility for the views I have expressed. For all opinions and conclusions presented in the book I am alone responsible.

CHARLES WOLF, JR.

Harvardens, Mass.  
April 19, 1948

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PART I

THE BEGINNINGS

OF THE REPUBLIC OF INDONESIA



## CHAPTER ONE

### *BIRTH OF THE REPUBLIC*

On August 17, 1945, the Republic of Indonesia was proclaimed by a small group of determined men.

"Since independence is the right of every nation, any form of subjugation in this world is contrary to humanity and justice, and must be abolished. The struggle for Indonesian Independence has reached a stage of glory in which the Indonesian people are led to the gateway of an independent, united, sovereign, just and prosperous Indonesian state.

"With the blessing of God Almighty, and moved by the highest ideals to lead a free national life, the Indonesian people hereby declare their independence."

At its inception the new government claimed jurisdiction over a land area of more than 700,000 square miles and a population of more than 70 million. To some its birth came as a complete surprise; as far as they knew it had no roots in the past that preceded the Japanese occupation. Actually, this is only partially true. During the nineteenth century there had been no less than thirty-three revolts against Dutch authority in the Indies. For the most part, however, these were Batak or Atchenese or other local revolts; that is, they came from sectional minorities and did not have a national character.

The formal nationalist movement in the Indies began in Java in 1908 with the organization of the *Boedi Oetomo* or "High Endeavor" society under the leadership of a pacifist social reformer, Soetomo. From that time until World War II, Indonesian nationalism was characterized by division and disunity, by factionalism of both extremist and moderate groups, and by the constant addition of new elements to the movement. The nationalist movement came to represent different things to different people. It was linked to social reform as advocated by Soetomo. It put its faith in traditionalist or *Taman-Siswo* mass education, according to the ideals of Dewantara. It sought autonomy within the Dutch Empire swayed by the pleas of

Soetardjo. It was revolutionary Communism when led by the Moscow-trained Tanmalaka. It was non-cooperative and radical, a call to resistance to Dutch authority, as advanced by the fiery Soekarno and the professorial Hatta. It was imbued with the concept of social democracy and economic betterment under independent Indonesian auspices, led by the young Western-educated socialists Sjahrir and Sjarifoeddin. All these elements attached themselves to the nationalist cause in the course of its evolution.<sup>1</sup> For thirty years, the diversity of these groups and the conflicts among them, no less than Dutch suppression of overt acts, stood in the way of Indian nationalist unity.

At last, in May 1939 a federation of all Indonesian nationalist parties, the *Gaboengan Partai Indonesia* or G.A.P.I., was formed by an alliance between the cooperative nationalists in the *Parindra* party and the radical nationalists in the *Gerindo* party, together with a number of smaller groups and religious organizations. This first coalition was a significant achievement in the development of Indonesian nationalism, although for some time world events were to prevent the G.A.P.I. from consolidating and exerting a constructive influence. Nevertheless, however unstable, the unity which it represented was to become a symbol of profound importance.

With the start of the war in Europe in September 1939, shortly after the formation of the G.A.P.I., and the fall of Holland in May 1940, the colonial government of the Netherlands Indies was at that time obliged sharply to curtail the activity of the nationalist movement in the interest of the European war effort. Great Britain and the United States were making urgent demands for strategic stockpiles of the produce of the Indies—for rubber, tin, quinine, fibers, and drugs. To meet these emergency requirements the Dutch sought to place the Indies on a semi-war footing.

In accomplishing this economic and strategic aim the Netherlands Indies Government was eminently successful. As an index of the effectiveness of this policy, a comparison of exports from the Indies to the United States in 1938 and 1940 shows an increase for tin of 412 per cent, for rubber of 331 per cent, for drugs and spices of 227 per cent, for fibers of 218 per cent, and a total increase in Netherlands Indies exports from about \$330,000,000 in value to approximately \$450,000,000.<sup>2</sup>

<sup>1</sup> Cf. Paul Kattenburg, "Political Alignments in Indonesia," *Far Eastern Survey*, New York, September 25, 1946.

<sup>2</sup> See Rupert Emerson, *The Netherlands Indies and the United States*, World Peace Foundation, Boston, 1942, pp. 45-7.

The heated Japanese negotiations for oil concessions in the Indies, and the unmistakable signs of trouble appearing on the Pacific horizon, strengthened the Dutch resolve to eliminate dissension and to render the nationalist agitation ineffectual, at least for the time being. The Penal Code, forbidding any agitation which might foment disorder, was narrowly construed and rigidly enforced. Free assembly was curtailed. The nationalist press was made to toe the line of unyielding resistance to the Japanese and of support of the European war effort. Nationalist pamphleteering was repressed, and many of the pamphleteers and nationalist leaders were jailed or exiled. When the Japanese occupied the Indies in March 1942, three of the future "Big Four" of the Republic—Soekarno, Hatta and Sjahrir—were in prison or exile, although their prison sentences had begun before 1940, and the fourth, Amir Sjarifoeddin, had spent part of 1940 in prison for dangerous incitement, after which he went to work with the government in the Department of Economic Affairs because of his antipathy to fascism.

As a result, largely, of Dutch colonial policy from 1939 to 1942, the Japanese did not have a consolidated Indonesian nationalist front to contend with when they occupied the Indies. In fact, even such effective unity as did exist among the nationalists was disrupted still further over the issue of collaboration.

On the one hand, there was a group headed by Sjahrir and Sjarifoeddin: the young, Western-educated intellectuals who, on purely ideological grounds, refused to have anything to do with Japanese fascism. Some of them were immediately jailed. Others, like Sjahrir, pretended to be only passive toward the Japanese. Released from internment, Sjahrir went to Tjipanas in the mountains of West Java to work quietly and plan for the future. Here he and his colleagues gradually built up the Javanese resistance organization that later became a driving force behind the Republic's Declaration of Independence. Here he wrote his *Perdjoeangan Kita* (Our Struggle) and what was to become the *Political Manifesto* of the Republic.

Sjarifoeddin also entered the small underground resistance movement. He was imprisoned by the *Kempeitai*, or Japanese Secret Police, in 1943, and placed under sentence of death, later commuted to life imprisonment.

On the other hand there was the group, headed by Soekarno, Hatta, Mansoer and Dewantara, who felt that the defeat of the Dutch armed forces and the internment of the remaining white Dutch civilian population promised the dawn of a new era for



Indonesia. This group contended that the new era could best be prepared for by dealing with the Japanese in the open, rather than by taking the nationalist movement underground. There is little evidence to support the charge that this group dealt with the Japanese from choice. In fact, even those whose dislike for the Dutch originally induced some sympathy for the Japanese soon were alienated completely by the harshness of the Japanese occupation policy, and by the decidedly unfavorable turn which the war began to take for Japan.

It is not hard to understand the initial reaction of many of the nationalist leaders in 1942. In many cases they recognized the Japanese as the victors over a colonial government which, whatever its merits, had coerced them in peace-time. A certain feeling of gratitude and a desire to cooperate with the Japanese were inevitable in these instances, and yet after the first year of the occupation it became clear to even the most sympathetic nationalists that the nationalist cause would have to be advanced by exerting constant pressure on the Japanese, and not by simply cooperating with them. There were, furthermore, enough short-wave radio sets operating clandestinely, despite the untiring efforts of the *Kempeitai* to ferret them out, for the nationalists to hear—and to become convinced by 1943—that the war was definitely turning against the Japanese in the Pacific, and that the Japanese hold on the islands was to be short-lived. Under such conditions, honest and sincere collaboration with the Japanese was very rare. What at first appeared to be collaboration seems now, upon closer examination, to have been a hard and tenacious bargaining to secure concessions for the nationalist movement.

### THE JAPANESE OCCUPATION

The introduction of Japanese rule after the capitulation of the Dutch in March 1942 meant the elimination of Dutch officialdom, and the imposition of military authority over an indigenous administrative substructure. There was no wholesale overhauling of the governmental organization, despite the elimination of the Dutch,<sup>3</sup> but not the Eurasian, personnel—a distinction which was almost impossible to draw accurately after many generations of miscegenation.

<sup>3</sup> In Soerabaja, in 1942, several hundred Dutch officials and petty officials were actually taken from internment by the Japanese to help solve the city's food distribution problem, which the Japanese could not handle themselves after several weeks of trying. Within a relatively brief span of time the Dutch had reorganized food distribution, and in fact they remained out of internment for over a year until 1943 when the Japanese felt they themselves were able to control food distribution again.

With their own military authorities firmly placed at the helm, the Japanese had as their principal aim that of making the islands self-sufficient and of gearing agricultural production to the needs of the war machine.

Where necessary new directing organizations were set up by the Japanese. For example, an Agricultural Industrial Control Board (*Saibai Kogyo Kanri Kodan*) was set up, early in 1942, connected with the former Department of Economic Affairs, with broad powers to handle overall financial and procurement requirements for agricultural industries. The S.K.K.K. was also empowered to deal with storage and distribution of the produce of these industries, and to gear estate production to the needs of the war effort. In June 1943, the powers of the S.K.K.K. were extended still further to include not only large estate industries such as rubber and cinchona, but also the small estates, particularly those engaged in the production of fibers and cacao.

In general, however, the exploitative economic war aims of the Japanese were prosecuted within the framework of an unchanged administrative set-up. Political measures, including propaganda and limited concessions to the nationalists, were regarded by the Japanese as means to achieve the main economic goals, and to enlist popular support for total economic mobilization. Quinine, tin, petroleum products, fibers, textiles and food products, especially rice and cassava, were needed; and the Japanese ruthlessly conscripted labor into the *Hei Ho* or Work Corps, to step up production. Actually, in the case of all production—except quinine which was increased by 16 per cent, and ramie, a flax plant for making textiles which was newly cultivated by the Japanese—output fell considerably under Japanese direction. No figures concerning petroleum or tin production from 1942 to 1945 are available, but according to both Japanese and Indonesian statistics covering Java, rice production dropped by 25 per cent during this period, corn by 36 per cent, cassava by almost 50 per cent, rubber by more than 80 per cent in both Java and Sumatra, tea by over 95 per cent, coffee by about 70 per cent and palm oil by almost 75 per cent.

The labor reservoir also had to be drained to supply men for the auxiliary army, and for police and air-raid protection. For all these purposes the method of conscription was employed.

To enlist popular support for such drastic economic measures, the Japanese launched successive propaganda campaigns which met with varying degrees of success depending upon the nationalist support

which they received. The first campaign aimed at the glorification of Japan and the Greater East Asia Co-Prosperity Sphere, with Indonesia as a part. This so-called *Tiga A* (Triple A) movement extolled Japan as the "Savior, Leader and Life of Asia" and at the same time banned all labor and political organizations, and placed a tighter clamp on the press than the Dutch had ever imposed. *Tiga A* was dropped after December 1942, when it had become clear that its lack of popular support made it a failure.

The *Poesat Tenaga Rakyat* (Central People's Power) followed in its wake. The *Poetera*, as it was called, was a centralized organization of all political parties (united formally for the first time since the defunct G.A.P.I.), including also labor organizations and religious and youth societies. Led by Soekarno, Hatta, Mansoer and Dewantara, the *Poetera* acquired a strong nationalistic character, and because of its broader base, became a potentially stronger nationalist force than the G.A.P.I. had been. The *Poetera* movement spread rapidly after its formation in March 1943. While its immediate effect was to contribute to a more united war effort, it represented a force and a threat to the Japanese which they were never quite able to eliminate. In a sense the *Poetera* was the first formal nationalist-inclined organization to manifest itself during the occupation. As its strength grew and it came to include an Auxiliary Army force (*Tentara Pembela Tanah Aer*) and an armed Police Force as well, the resistance of the nationalists to Japanese demands stiffened.

The *Poetera* never broke openly with the Japanese, but neither did it express opposition to the revolts which broke out in Blitar, Indramajoe and Tasikmalaja as the occupation wore on. The *Poetera* carried on a continual tug-of-war with the Japanese military authorities for concessions to the nationalist cause, for higher positions in the government for Indonesians, and for a withdrawal of Japanese officialdom. In exchange for these concessions the nationalists promised support of the war effort.

The relation between the *Poetera* and the Japanese military was thus a dynamic one of stress and strain. As the military situation in the Pacific grew more and more precarious for the Japanese, the pull exerted by the *Poetera* intensified. As the Japanese war position grew still weaker, the *Poetera* and the nationalists grew stronger, and the concessions which they were able to elicit widened in scope.

Finally, after considerable earlier pressure from the *Poetera*, a Commission for the Preparation of Independence was set up in April 1944 with Soekarno and Hatta as its guiding lights. By June

1944 the nationalists were able to exert sufficient economic pressure on the Japanese to bring about the end of the centralized Agricultural Control Board. In its place, an Agricultural Industrial Trust (*Saibai Kogyo Renokai*) was set up, exercising the same functions and with the same powers as the former S.K.K.K., except that it was now controlled not by the Japanese military but by private estate owners and agricultural companies, Indonesian and Chinese as well as Japanese.

In September 1944, under increasing pressure both from the nationalists and the deteriorating military situation in the Pacific, Premier Koiso made the first formal Japanese promise of independence to the Indonesians. The red and white independence flag and the national anthem, *Indonesia Raja* (Great Indonesia), which the Preparatory Commission had adopted, now were recognized by the Japanese authorities. In addition, new regulations were adopted to increase the participation of Indonesians in the government as the nationalists had demanded.

In July 1945, with American forces in the Pacific closing in for the kill, Count Terauchi, the Japanese Commander-in-Chief for South-east Asia and the Indies, received instructions from Tokyo to make preparations for independence discussions with the Indonesian leaders. The original Tokyo plan provided that independence would be declared in the name of the Emperor as soon as Russia entered the war, and it was further hoped by the Japanese that, with this inducement, the Indonesian Auxiliary Army might then be counted on to fight side by side with the Japanese against the expected invasion forces.

In early August, Soekarno and Hatta left Batavia for Japanese Asia Headquarters in Saigon by special Japanese plane at Terauchi's invitation. There is every reason to believe that they knew what the purpose of their visit was to be and what the underlying motives of the Japanese were.

Less than one week after their return to Batavia the Japanese capitulation was announced, and somewhat hastily and boldly two days later, on August 17, Soekarno and Hatta proclaimed the Republic—not in the name of the Japanese Emperor, but in the name of the Indonesian people.

#### THE ISSUE OF COLLABORATION

Under the confused conditions which prevailed throughout South-east Asia at the time of the unexpected Japanese surrender announce-

ment, it was inevitable that suspicion of collaboration should become attached to the new-born independence movements in Burma, Indo-China, and Indonesia, and that these suspicions would crystallize into definite charges against the new regimes by the returning colonial powers.

The charges were not long in making an appearance. In September 1945, Dr. Hubertus J. van Mook, the Lt. Governor General of the Netherlands Indies in exile in Australia, advised Admiral Mountbatten, the Supreme Allied Commander for Southeast Asia:

"It is obvious that this republican movement is a restricted one and that its pattern is a dictatorship after the Japanese model. . . . It is to be seriously doubted that the puppet government has much of a following, and it is of particular importance that this extremist organization not be recognized in any way directly or indirectly [since it is] . . . simply a Japanese creation."

Allied intelligence concerning Indonesia during the occupation was more meager than for any other area in Southeast Asia. The charges of collaboration thus found the world at large unable to judge the situation which had existed during the occupation, or to recognize the larger scope which the nationalist movement was to attain immediately after the Japanese capitulation. There had been no O.S.S. or Allied intelligence teams operating regularly throughout the archipelago as there had been in other parts of the region. Indeed, Japanese broadcasts and one or two brief landings on the Java and Sumatra coasts from submarines by Dutch and Allied operatives furnished most of the sparse information which came from Indonesia during the war. The landings of British forces, in October 1945, in insufficient strength and after a critical six weeks' delay, reflected this dearth of intelligence.

Even after the re-occupation it was difficult to obtain the information necessary for a candid appraisal of the collaborationist charges. Released Dutch internees and P.O.W.'s were either too biased or too out of touch to offer a fair index of the real state of affairs. Unbiased Indonesians were just as difficult to find, and the Chinese and Eurasian minorities often were too afraid either of the returning Dutch or of the Indonesians to speak freely.

One of the few Europeans fully qualified and sufficiently open-minded to judge these charges and to appraise the Republic at its inception was a British Army officer, Lt. Colonel Laurence van der Post. Colonel van der Post had been assigned by British Army

Intelligence to remain behind in Java when Field Marshal Wavell's Southeast Asia Headquarters in Bandoeng decided to evacuate in February 1942. He had been assigned the mission of continuing guerrilla operations in the hills as long as possible, and specifically of keeping *au courant* of general events during the Japanese occupation, looking toward the day when Allied troops would return to the Indies. He himself was interned by the Japanese after the guerrilla activities which he had directed in the hills were brought to an end. Nevertheless, he maintained sufficient contact with the outside to remain probably the best authority on the Republic's prenatal history and formation. Unfortunately, however, Colonel van der Post's wide fund of information was never given the attention that it merited.

Actually, an accurate appraisal of the collaborationist charges which have been directed against the Republic's leaders depends primarily on an initial adjustment in viewpoint. In analyzing collaboration with the Japanese in Indonesia a basically different approach must be adopted from that applied to the same issue in the occupied countries of Europe.

In Europe, the populations of the occupied countries knew what the war was about. Despite blundering and corruption in pre-war Europe, they knew that fundamentally it represented a struggle for existence against the expanding forces of aggressive Fascism. They had the clear evidence before them that the Fascist enemy had "blitzed" through their defenses, beaten their armies, and forced their governments into exile. They maintained contact with these exiled governments through the active underground movements which flourished under the eyes of the invader. They received news and pamphlets from their governments by way of the underground and by air; and they could carry on in the assurance that their forces and those of their allies were growing stronger day by day and would eventually return to liberate their soil. In short, despite harsh and discouraging conditions and deprivations, they still had some feeling of "belonging," of being a part of the fight against an enemy of long standing; a fight that was being prosecuted by their brothers-in-arms outside the motherland.

Under such conditions collaboration with the enemy by an individual citizen was tantamount to treason against his nation's still-continuing fight. In Europe a patriotic and thinking citizen's duty and attitude toward the invader were clear. Collaboration generally stood out clearly when judged in this light.

In Indonesia, on the other hand, a patriotic nationalist's duty and attitude toward the Japanese were by no means as simple or as clear. In the first place, the struggle which the war represented between fascism and democracy was obscure and distant to all but the most sophisticated and Westernized intellectuals, such as Sjahrir and Sjarifoeddin. Furthermore, the Japanese were not an established enemy of long standing with whom the Indonesians had already had contact before and of whom they had already formed a definite impression. The existence of anti-white racialism, which Japanese propaganda exploited, led some Indonesians to identify their opposition to foreign white rule with the Japanese war against the Western powers.

The Indonesian nationalists did not have the feeling that the enemy had fought against *their* defenses, beaten *their* forces, or driven *their* government into exile. In fact, the Indonesian people had not had any arms with which to fight the invader, since the Dutch Government had avoided arming or training any large groups, except for the loyal Ambonese, and had particularly avoided the training or arming of educated or nationalistic Indonesians. The emergency conditions of the period from 1939 through 1942 had not changed this policy. During this period the Dutch had been even more circumspect in their building of an Indonesian armed force, lest it might come under the influence of the nationalist movement.

Finally, the patriotic Indonesian had little feeling of attachment to or contact with the distant Netherlands Indies Government in Australia. The underground resistance movement maintained no liaison with the exiled Dutch. Such resistance as the Indonesians organized was their own and was neither in close touch with nor was it supplied by the exile government outside. The Dutch Government had gone, and the Dutch civilians remaining behind were interned and for the most part effectively removed from the scene. The Indonesians were now alone. They were isolated and left on their own to sink or struggle to shore as best they could. The resentment and sense of isolation felt were summarized by Sjahrir in his *Political Manifesto*:

"When the Netherlands Indies Government . . . surrendered to the Japanese in Bandoeng in March 1942, our unarmed population fell prey to the harshness and cruelty of Japanese militarism. For three and a half years our people were bent under a cruelty which they had never before experienced throughout the last several decades of Netherlands Colonial rule. Our people were treated as worthless material to be wasted in the

process of war. From the lowly stations of those who were forced to accept compulsory labor and slavery and whose crops were stolen, to the intellectuals who were forced to propagate lies, the grip of Japanese militarism was universally felt. For this, Dutch colonialism is responsible in that it left our 70,000,000 people to the mercies of Japanese militarism without any means of protecting themselves since they had never been entrusted with fire-arms or with the education necessary to use them. . . .

"A new realization was born in our people, a national feeling that was sharper than ever before. This feeling . . . was also sharpened by the Japanese propaganda for pan-Asianism. Later attempts by the Japanese to suppress the nationalist movement were to no avail. During three and a half years of Japanese occupation, the whole state organization . . . which had been controlled by the Dutch, was handled by the Indonesians under the authority of the Japanese. . . . Our nation acquired greater confidence and our national awareness grew towards the Japanese as well as towards other nations.

"The millions of people lost during the occupation and the miseries under which the rest of the population lived . . . must be attributed to the inadequate preparation which we were given by the Dutch. Because of these facts the Dutch have not the moral right to accuse us of having cooperated with the Japanese. . . ." <sup>4</sup>

It is certainly true that there were instances of collaboration and corruption stemming from purely selfish and servile motives. In general, however, it appears that the overall collaborationist charges directed against the Republic and many of its leaders must be judged in the extenuating light of the complex psychological and emotional factors referred to above. It is in this light that the occupation records of Soekarno and Hatta and their coterie are actually regarded by Indonesian public opinion, and it is this factor which has constituted a major source of strength for both the Republic and Soekarno. Public opinion in Indonesia regards Soekarno and Hatta not as having been pro-Japanese, but as the leaders who cheated the Japanese by political cunning and who brought the Republic to life as a result. This is one reason why the colorful personality of Soekarno, rather than the more profound and more sophisticated Sjahrir, has the backing of the Indonesian people today. It is, of course, impossible not to admire the self-contained integrity of Sjahrir who staunchly resisted dealing with the Japanese. Nevertheless, Soekarno and Hatta, largely through their own names and personalities, preserved the continuity of the nationalist movement throughout the occupation. It is doubtful whether, without

<sup>4</sup> Translated from Sjahrir's *Political Manifesto*, Batavia, November 1945. See Appendix, p. 172.



this continuity, the Republic would have had either the organization or the popular support which it was to need for survival.

After August 17, 1945, the Sjahrir and Sjarifoeddin group united firmly with the Soekarno and Hatta group in supporting the Republic. Later attempts of the Dutch to drive a wedge between the two—by refusing to deal with the collaborationist Soekarno but warmly accepting Sjahrir for negotiation—failed. Dr. van Mook finally withdrew his earlier hasty appraisal of the Republic by admitting at Pangkal Pinang in October 1946:

"Our knowledge of the happenings and conditions in the occupied territory of Indonesia was deficient and incomplete during the war. . . . This was particularly true in respect to Java and Sumatra. Misled by outward appearances . . . we originally reported the Republic too much as a Japanese invention, and when in October and November the movement developed with the speed of tropical growth into a sort of popular revolt comparable to the September days of 1792 in the French Revolution, it was difficult to gauge properly the inherent lasting power of this phenomenon. When we look back into history, it is apparent that in the Republic forces were at work which signified more and were rooted deeper than a mere surge of terrorism. . . ."

Once the Republic had been established, the internal issue of collaboration was dead. All of the nationalists, whatever the dictates of conscience had led them to do during the occupation, were solidly united behind the Republic and its watchword *Merdeka!* (Freedom).

## CHAPTER TWO

### *THE BRITISH OCCUPATION*

One of the most controversial vignettes in the whole controversial picture of post V-J Day Indonesia has been the activity and policy of the British re-occupation forces during the fourteen months of their military control—between September 1945 and November 30, 1946.

Criticism and invective heaped upon the British for their role in the Indies have been abundant, violent, bitter, and often contradictory. On the one hand, the British were excoriated for being the protectors and restorers of imperialism, for ruthlessly helping to repress the awakening people of Indonesia, for "setting the clock back" in Southeast Asia, and for violating the spirit of both the Atlantic and the United Nations Charters.

On the other hand, the British were criticized by the Dutch for impeding rehabilitation in the Indies in order to secure competitive economic advantages for British Malaya, for bolstering and dealing with an illegal, Japanese-inspired extremist revolution at its inception, and for flagrantly violating even the minimum obligations of a faithful ally.

November 30, 1946, was the day set for the official departure of the last British occupation forces and for the end of the Allied Forces Headquarters in the Netherlands East Indies (A.F.N.E.I.). It is interesting to note that after official thanks had been formally accorded the British forces by the Dutch Governor General, Dr. van Mook, and the Indonesian Prime Minister, Mr. Sjahrir, on the morning of November 30, both the Dutch and the Indonesian daily newspapers in Batavia, the *Dagblad* and *Merdeka*, carried long and violently bitter editorials criticizing the British occupation record. Paradoxically, they both had a modicum of fact on which to base their opinions.

During most of the Pacific war, Sumatra and its dependencies were included in the Southeast Asia Command under Admiral

Mountbatten; the remainder of the Netherlands East Indies had been placed under General MacArthur's Pacific theater of operation. By decision of the combined Anglo-American Chiefs-of-Staff at the Potsdam Conference in July 1945, military jurisdiction of the whole Southwest Pacific below the Philippines was transferred to S.E.A.C.

It is true, this transfer took place despite the fact that the United States had already made preparations for specialized operations in the Indies at its Malay and Dutch language schools at Stanford and Yale Universities, and in its Military Government Schools at Virginia, Harvard, and Columbia. It is also true that this transfer was made despite strenuous objections by the Dutch.<sup>1</sup>

Nevertheless, at the time the transfer was made, the war was expected to last another year rather than another month, as turned out to be the case. Despite later allegations to the contrary, it appears certain that military and not political considerations supplied the main motivations for the transfer of authority. Military considerations may well have been reinforced by political factors, since, on the one hand, the British had a particular interest in the archipelago because of its strategic political and economic proximity to Malaya, and since, on the other hand, the United States was not anxious to undertake any re-occupation operations on behalf of colonial powers.

The suddenness of the Japanese capitulation found S.E.A.C. unprepared to fulfill its expanded commitments immediately, and what turned out to be a highly critical delay in the re-occupation ensued. It was not until September 15 that the first Allied Mission of about fifty people, as well as Mountbatten's personal representative, Rear Admiral Patterson, arrived in Batavia on board H.M.S. *Cumberland*. And it was not until September 29 that the first battalion of British troops, the Seaforth Highlanders, landed in Batavia—more than six weeks after the Japanese surrender.

During the six weeks hiatus between the Declaration of Independence by Soekarno and Hatta and the landing of the first small British forces, the Indonesian nationalists consolidated rapidly and worked strenuously to set up a functioning "government." All shades of nationalists—the former cooperatives and non-cooperatives, moderates and extremists, collaborationists and non-collaborationists—united

<sup>1</sup> At the Pangkal Pinang Conference in early October 1946, Dr. van Mook stated that: "Notwithstanding great objections on our part, the Allied Supreme Command in this area was transferred from the Americans, who had for years been preparing themselves for their task in this part of the world, to the British whose operational field up to that time had been much more limited. . . ."

in the common effort. Six weeks was not a long time, but the nationalists were bent on making the most of it.

After the Declaration of Independence had been issued by Soekarno and Hatta on August 17 in the name of "the whole Indonesian People," the Preparatory Commission, which had been set up in April 1944, met from August 18 to August 29 and acted swiftly. Soekarno and Hatta were elected by the Commission as the first President and Vice-President of the Republic. The Constitution which had been drafted during the last month of the war was adopted. The original document was hastily prepared and not always thorough or detailed; nevertheless it clearly showed the influence of the American Constitution that had been used as its model. It provided *inter alia* for a President and Vice-President exercising strong executive control and command of all armed forces, a Congress and a Council of Representatives to exercise the legislative function, and a Supreme Court vested with the judicial power.

Under the emergency conditions and pending the election of the People's Congress and the Council of Representatives, the Preparatory Commission, guided predominantly by Hatta, decided that the President and Vice-President would exercise all governing powers with the advice and consent of a new Central National Indonesian Committee (*Komite Nasional Indonesia Poesat*—K.N.I.P.). The Preparatory Commission hastily set up an administrative blueprint for the republican areas of West, Central and East Java, Sumatra, Borneo, Celebes, the Moluccas and the Lesser Soendas. This blueprint roughly restored the former Dutch administrative system with a governor for each province, with residencies, and with semi-autonomous sultanates within the provinces. Provision was made for a cabinet of twelve ministers,<sup>2</sup> all responsible to the President, according to the American system. The Preparatory Commission finally called for the formation of a National Army under the President, from the various armed auxiliaries and "People's Armies" (*Laskar Rajat*). On August 29 the Preparatory Commission went out of existence. The new K.N.I.P. was chosen by Soekarno and Hatta with a broadened base. It consisted of one hundred and twenty of the outstanding national leaders and included all shades of nationalist opinion. Republican headquarters were set up in

<sup>2</sup> The portfolios in the Cabinet consisted of Home Affairs, Foreign Affairs, Justice, Finance, Economic Affairs, Health, Education and Culture, Social Affairs, Defense, Information, Communications, and Public Works.

Batavia—now called by the Indonesian name “Djakarta.” Shortly thereafter, Soetan Sjahrir, the leader of the Indonesian intellectuals, was made chairman of the Working Committee of the K.N.I.P.

In quick succession the following steps were taken: Djakarta was proclaimed the Republican capital; regional governors for the eight provinces were selected; Soekarno chose his Cabinet;<sup>3</sup> the Sultanates of Djokjakarta, Soerakarta, Mangkoenegaran, and Pakoecalaman announced their support of the Republic; and the Japanese *Hei-Ho* was disbanded.

When the first British troops landed in Batavia on September 29, 1945, the Republic was a going, if still untested, organization. Almost all buildings flew the red-and-white *Merdeka* flag. Government buildings were conspicuously labeled *Kementerian Kasehatan* (Ministry of Health), *Kementerian Oeroesan Dalam Negeri* (Ministry of Home Affairs), *Kementerian Loear Negeri* (Ministry of Foreign Affairs), and so on. Posters in English, quoting from the American Declaration of Independence (since American re-occupation forces had been anticipated by the Indonesians) and from Lincoln's Gettysburg address, were in evidence. Indonesian civil police, armed with Japanese equipment, made their regular rounds through the streets of Batavia. Despite the run-down appearance of the capital with its olive-drab coated buildings and pit-holed streets, the city was orderly and peaceful. The situation was quiet but confusing, and the natural reaction to this unexpected state of affairs on the part of the handful of British troops who first arrived was one of bewilderment.

### THE BRITISH DILEMMA

The British forces came to the Indies with two main objectives, purely military in character. The first was to accept the surrender, to disarm, and to repatriate the 283,000 Japanese troops concentrated in Java and Sumatra, but scattered also over the Celebes, the Moluccas and Borneo. The second was the liberation and protection of over 200,000 Dutch and Allied prisoners of war and internees, the so-called A.P.W.I. That these aims could be attained without affecting the political situation, and that British military commitments could be fulfilled without touching on the thorny problems of colonialism and imperialism among a sensitive people and in a sensitive world, was a fantasy to start with.

<sup>3</sup> Including Sjarifoeddin as Minister of Information, Soebardjo as Minister of Foreign Affairs, and Dewantara as Minister of Education.

The presence of a functioning and self-conscious "Republic" could not be disregarded, and the necessity for some kind of attitude—however vacillating or indefinite or "unpolitical"—toward the Republic could not but provoke antagonism on one side or the other. A simple restoration of the legal pre-war Dutch colonialism would certainly have meant not only serious trouble from the nationalists but also harsh criticism from a sensitized world press, which Britain, already under fire in the United Nations and in the press for her role in the Middle East and in India, could ill afford.

On the other hand, support of the as yet unrecognized Republic and cooperation with it would certainly alienate the Dutch and might provoke Holland's opposition to Britain in the United Nations Security Council, where Britain was in great need of friends.<sup>4</sup> The British met the dilemma by a policy which at least temporarily had the effect of antagonizing both sides.

With the meager forces<sup>5</sup> of British and British Indian troops available for the execution of the tasks of re-occupation, it was felt that extensive operations would not be feasible. The decision was therefore made to establish secure bases at eight key points in Java and Sumatra, and later on two or three in the Outer Islands, and to use these bases as bridgeheads from which to tackle the tasks of disarmament and internment of the Japanese and relief of the A.P.W.I.

Realizing the magnitude of his task and the insufficiency of his forces, the commanding officer of the Allied Forces in the Netherlands East Indies (A.F.N.E.I.), Lieutenant General Sir P. A. Christison, issued a proclamation immediately upon his arrival in Batavia at the beginning of October—to the effect that he "intended to request the present party leaders to support him in the exercise of his task," and that since only limited operations could be undertaken by his forces "the present Indonesian authorities [would remain] responsible for the government in the areas under their control."

From the point of view of the Dutch, both pronouncements were highly and understandably objectionable because of the implied recognition which they accorded to the "party leaders" and the "Indonesian authorities," whom van Mook's Government did not wish to have countenanced, officially or unofficially. When Dr. van der Plas—the former Dutch Governor of East Java, and the first official representative of the Netherlands Indies Government to return

<sup>4</sup> Holland held one of the six elected seats on the Council at the time.

<sup>5</sup> It was not until October 31 that the equivalent strength of a full British division was in Java.

to Java—offered to conduct preliminary discussions with some of the Indonesian leaders including Soekarno, he too incurred the severest criticism from his government in Australia.

The Indonesian authorities regarded this initial British attitude with cautious and reserved approval. They cooperated to the extent of continuing to run the civil administration, the telephone, power, and trolley services and of maintaining civil law and order.

In accordance with the British tactics of setting up key bases for the further execution of their assigned objectives, Batavia was occupied first, on the 29th of September, 1945, Bandoeng by a small force on about October 10, Semarang on October 17, Soerabaja on October 25, and Medan, Palembang and Padang in Sumatra somewhat later. At first little resistance was encountered by the small British forces, and the Republican authorities remained cautiously cooperative. In Soerabaja, a local branch of the *Laskar Rajat* or People's Army furnished some opposition, but actually this was only slight. When trouble came afterwards, it was largely the result of a dispute over the return of Dutch troops to the Islands.

Some Dutch and Ambonese troops that had been interned as P.O.W.'s during the war were soon released and attached to the Dutch echelon at A.F.N.E.I. under the command of the stern old Dutch General van Oyen, who had arrived from Australia on October 3. The Indonesian authorities, led by Soekarno and Hatta, were determined, however, that no new Dutch troops should be allowed to land until recognition of the Republic had been granted. This attitude resulted from a deep-seated distrust and suspicion of the intentions of returning Dutch armed forces, and of the returning Dutch civil administration whether technically under Allied command or not. This same distrust and suspicion was, in fact, reciprocated by the Dutch, and was the cause of much of the unpleasant relations between the Dutch and the Indonesians during the negotiations of the next two years. Mutual hatred, despite early reports, was relatively scarce, but suspicion and distrust were widespread.

In the early part of October 1945, two small companies of volunteer combat troops from Holland arrived in the Indies, and shortly after were followed by the disliked Netherlands Indies Civil Administration (or N.I.C.A.), which returned to the Indies from Australia. Their return occurred over the heated protest of the nationalists, who claimed as the minimum price for their continued cooperation with the Allied re-occupation that no additional Dutch armed forces or civil administration personnel be allowed to land

on Indonesian soil until the Republic's status had been clarified.

As an ally of the Netherlands, the British could not, even if they had wanted to, give this guarantee. Only the fact that Holland—weakened by five years of German occupation—was in no position economically or militarily to undertake the re-occupation herself as the *de jure* pre-war sovereign in the Indies, was responsible for the assignment of this difficult task to the British and British Indian troops. When Soekarno and Hatta renewed their protests to the British and reiterated their demand for this minimum guarantee, their request was, and under the circumstances had to be, turned down. Although in fact no large numbers of Dutch combat troops really landed in the Indies until March 1946, no guarantee could be given to the Indonesians that their demand would be satisfied. Thus, the Indonesians' worst fears and suspicions began to crystallize, and after public protest to the Dutch and renewed private demands to the British and to the American Strategic Services Unit in Batavia, they began to feel that action must be taken.

Soekarno and Hatta adopted a more and more militant attitude and, in early November, convinced that nothing further could be accomplished by verbal requests for the guarantee they wished, moved to Djokjakarta and thereby gave the go-ahead signal for the unbridled terror which was to ensue in the next two months. At any rate, not only the *Tentara Republik Indonesia* (Republican Army), but the more irresponsible Japanese-trained People's Armies (*Laskar Rajat*), *Banteng* or Buffalo societies, and *Pemoedas* (youth groups) saw in this move the green light to proceed in disorder and bloodshed.

These groups had to a large extent been trained by the Japanese and in many cases had "accepted" the surrender of the Japanese troops in the absence of Allied forces in the interior. There is a typical, if apocryphal, story of a British major who went to accept the surrender of a Japanese battalion commander and his battalion near Soerabaja before a large crowd of Indonesians who ostensibly had come to watch the ceremony. The battalion was arrayed in full battle regalia and stood prepared for inspection. The battalion commander advanced to present his Samurai sword to the British major. As he did so, his men laid down their arms and advanced to turn themselves over to the British major. The crowd thereupon moved forward, picked up the arms from the ground and quietly dispersed.

Whether the story is true or not, it indicates that British weakness after arrival, as well as delay in arriving, made it possible for various



groups, irresponsible as well as responsible, to acquire large stocks of munitions and arms from the Japanese. When the blow-up came, and the restraining lid of the responsible authorities was removed, these groups had the weapons to cause the violence which ensued. Once let loose, it took the "Republic" over a year to get this ill-assorted group of fighting forces fairly well under control. The go-ahead signal was much easier for the Republic to give than the stop signal, but even the majority of the moderate nationalists, who later mourned the bloodshed of November and December, then felt that lawless action was preferable to no action at all. Bloodshed cannot be condoned, it is true, but if there had been no blow-up, Indonesia might never have attracted the publicity and world interest which were to play so important a part in restraining future action against the new republic. The importance of a show of force in the anatomy of successful revolution cannot be underestimated, even if the force itself is abusive and ruthless.

The powder keg, which was finally to explode in Soerabaja, began to smoke in Batavia at the end of October. Streets were unsafe after dark, and people were kidnapped if they ventured out after curfew at nine o'clock. The *kalis* or canals stank with the smell of putrefying flesh, and part of the newly-released civilian population had to be returned to wartime internment camps for their own protection. The same situation prevailed in Soerabaja, but unlike Batavia, where there were at least troops enough to insure reasonable protection against a wholesale terror, in Soerabaja the disorder grew worse. Finally, on November 4, Brigadier Mallaby, the British commander who had been negotiating with the local Indonesian authorities, was shot and killed at point-blank range as he drove in his car through the streets of the town. At the time, not enough troops were available for the British to take retaliatory action, but on November 9, Mallaby's successor, General Mansergh, issued an ultimatum to the Indonesians to surrender their arms to the British, or offensive action would be taken against them to establish law and order.

Such action began the next day, after it had become obvious that the ultimatum would not be heeded by the irregular armed bands that were responsible for the terror. For ten days the *Pemberontakan*, one of the strongest *Laskar*, held out against the British, led by their fanatical firebrand Soetomo, and spurred on by the local broadcasts of an ex-Scottish ex-American woman named variously Manx, Tantri, and "Soerabaja Sue." When the smoke cleared, it was found that several hundred British and Indian troops and several

thousand of the irregular *Pemberontakan* adherents had been killed, and more than 2,000 civilians had been kidnapped from the streets or their homes, never to be heard from again.

In Bandoeng a similar sequence of events took place. Houses were burned and looted, and one section of the town was completely razed. More than 850 civilians were reported kidnapped and killed in this city, in addition to the small British losses and the large losses which the Indonesian bands sustained between November 1 and the end of December. Batavia actually suffered less because of the larger concentration of British troops there, but nevertheless civilian casualties alone here were over 200 during November and December, 1945.<sup>6</sup>

Under these unexpected and critical conditions, the British were forced into the unfortunate position of having to use Japanese troops against the Indonesian extremists in an effort to maintain law and order. A world-wide storm of protest followed this ironic turn of events.

The British continued their efforts to bring order to the eight Allied bridgeheads but decided that action should end at the demarcation lines of these bridgeheads because of the additional trouble which further penetration might cause. British headquarters issued a restrictive order forbidding any offensive action by Allied troops, and instructing them to fire only when fired upon. This order proved to be a constant thorn in the Dutch side, particularly as the Dutch forces grew stronger and felt themselves able to undertake action in the interior. As the military forces under the new Dutch commander, General S. H. Spoor, were reinforced by the arrival of fresh troops from Europe in March 1946, increasing pressure was exerted first on the British commander and then on the Netherlands Indies Government itself—which was negotiating with the Indonesians—for permission to take offensive action against the Republican Army (T.R.I.) and the irregular nationalist forces. Later this pressure was to break through the surface on several occasions, provoking "incidents" and further complicating the difficult tasks of the van Mook government.

Gradually, with the beginning of 1946, the situation grew quieter. On February 10, after a trip to Holland, the Lieutenant Governor General began new discussions with the Indonesian delegation, headed by the Republican Prime Minister, Sjahrir, with whom the Dutch agreed to negotiate though they still maintained that Soe-

<sup>6</sup> Figures from Dutch Army Information Service, Batavia, 1947.

karno and Hatta were unacceptable. The British sent their top career diplomat, Sir Archibald Clark-Kerr—now Lord Inverchapel—to Batavia to facilitate the formal negotiations, and with their commencement, the situation took a definite turn for the better.

The military situation was stabilized, and as more and more Dutch troops arrived from Europe the British made plans for withdrawal. While General Mansergh, the new British Commander-in-Chief, retained supreme command, increasing civil authority was delegated to the Netherlands Indies Civil Administration, now renamed the Allied Military Administration Civil Affairs Branch, or A.M.A.C.A.B.

### THE BRITISH WITHDRAWAL

According to the Civil Administration Agreement of August 28, 1945, between the British and Dutch Governments, the Supreme Allied Commander of the re-occupying forces was empowered to exercise final local authority over all branches of the Netherlands Indies Government in matters of a military nature. In purely civil matters the Dutch Lieutenant Governor General remained the top authority, but his actions were required to conform to military orders. Furthermore, it was up to the British Commander-in-Chief, as the military situation warranted, "to notify the Governor General of the extent to which responsibility for the civil administration could be resumed by the Netherlands Indies Government"; and as the military situation within the Allied bridgeheads and on the Outer Islands became quieter, the Dutch Civil Administration was authorized to increase the scope of its operations, though ultimately remaining subject to the orders of the Commander-in-Chief of A.F.N.E.I. On November 30, 1946, the last British troops left Batavia, A.F.N.E.I. was officially disbanded, and military as well as plenary civil control reverted to Dutch hands.

By this date, the tasks for which the British had come to the archipelago were largely completed. Almost all of the more than 280,000 Japanese had been returned to Japan or were on their way home. Of the 200,000 internees and prisoners-of-war whom the Allied forces had come to release, less than 2,000 had not yet been evacuated from the interior of Java, and most of these were post-V-J Day Eurasian internees whom the Republic had interned for their own protection against extremist action. Their evacuation was well on the way to completion by November 30.

One month before the British withdrawal, a truce had been con-

cluded between the Dutch and British on the one hand and the Indonesians on the other. Demarcation lines had been set up around the bridgeheads, which now became the Dutch strongholds as they had been the British. Beyond these lines, neither side was to operate offensively though in practice these restrictions were violated by both sides. The Indonesians had agreed to the landing of additional Dutch troops up to the total of Dutch and British troops that had been in the archipelago when the truce was concluded on October 15. Fresh British-trained Dutch troops arrived and continued to arrive until this 92,000 joint total was reached, to replace the departed and departing British, and the British turned over their surplus war stock to the Dutch replacements.

This, in brief, was the military picture which the British left behind on November 30, 1946. They left behind also a fundamentally altered political situation: specifically, a draft agreement between the Dutch and the Indonesians which recognized the *de facto* authority of the Republic over Java, Sumatra and Madura, and which laid the foundation for a federalized United States of Indonesia. Finally, the British left behind a residue of bad feeling toward themselves on the part of the Indonesians and, in an extreme form, on the part of the Dutch. The Indonesian attitude was not deep but understandable since, whatever their motives, sympathies and ideology, the British had made possible and had actually brought about the return of the Dutch.

The Dutch resentment was deeper and, surprisingly enough, considerably more malevolent. Superficially, of course, there was the ordinary friction which might have been expected from the proud and independent Dutch finding themselves placed under British military control, particularly after the long internment so many of them had undergone. It was natural, also, that the newly-released Dutch should react when they saw British forces taking the best of their pre-war houses, furniture, and automobiles for military purposes. There was nothing unusual in all this. The same attitude had been encountered by United States forces in the liberation of Italy, France, and the Netherlands.

The source of the Dutch grievance, however, was much deeper and more unique. Between August 17, 1945, and November 30, 1946, a revolutionary Japanese-inspired rebellion had, from the Dutch point of view, been given a spurious respectability and indirect recognition. This rebellion had become a "government," the "Republic of Indonesia," whose *de facto* authority had been tenta-

tively recognized by the Netherlands Indies Government at Ling-gadjati on November 15. From the Dutch point of view, the illegal uprising was now a quasi-legal government with a history of collaboration behind it, and with at least an implied promise for the future which made impossible a return to the pre-war way of living for the Dutch; a government which actually ran and continued to run the civil police, telephone, and power systems in the Dutch bridge-heads of Java and Sumatra; a government which was conducting one of the largest "smuggling" trades in history from Sumatra; a government which had concluded an agreement as an equal party with the Government of India to ship rice to India in exchange for textiles and other "incentive" goods; a government which had possession of the richest producing areas of the Indies; a government, in short, which made a return to the pre-war pattern of trade temporarily impossible.

After four years spent in harsh internment, many of the Dutch had longed for a return to pre-war ease and normalcy. As they looked around them on November 30, even the most bitter among them had begun to realize that the Republic could now neither be talked nor wished nor propagandized out of existence. Their natural disappointment and bitterness were vented against the British whom they held responsible for the fourteen months which had solidified the Republican position and had sealed the fate of the "good old days." Frustration and chagrin over the unexpected turn of events required a scapegoat, and the British filled the bill.

For, whatever the merits of the Republic and of *Merdeka*, it had been the six weeks of British delay in coming to Java that had given the Republic time to organize, and it was the weakness of the British forces that enabled the Japanese to turn over their equipment to nationalist groups, and for Japanese to help put organizational finishing touches on the new Indonesian army. The British had, in many cases, dealt with the Indonesian leaders as equals, and this particularly grated on the colonial Dutch mind. They sometimes addressed Indonesian officials as "your excellency," as General Hawthorne allegedly called the Indonesian mayor of Bandoeng at their first meeting. In Dutch eyes, the British had restrained their troops and the Dutch troops from taking offensive action against harassing Indonesian forces. They had sent several unofficial parties to Soerakarta and to Djokjakarta in the early days for talks with Soekarno and other Indonesian leaders, and they had placed a plane at the disposal of the Republic for official flights to and from Djokja

and Batavia. From the Dutch point of view, these actions were violations of the legal Dutch authority, and the duplicity was attributed variously to imperialistic British designs on Sumatra, to the British desire to retard rehabilitation in the Indies until it had been completed in Malaya in order to secure competitive advantages in world markets for such products as rubber, tin, spices and gums which the two areas produced in common, and to British plans for a puppet Indonesian government under British hegemony.

That there is some basis, coincidental or not, for this antipathy, is possible. That British instigation could, to any considerable extent, have been responsible for the nationalistic opposition encountered by the Dutch, is well-nigh impossible. An active nationalist movement in the Indies had been much in evidence since its foundation in 1908, and the Dutch had been obliged periodically to repress nationalist outbreaks by force in the nineteen-twenties and 'thirties. The Indies had, in many respects, been an admirably and efficiently-run colony. Production had been high, and living conditions, for the population as a whole, had been relatively good compared with those in other colonial areas in Asia. But there had been no democracy or official encouragement of nationalist aspirations whatever, under the Dutch colonial rule; political discontent and resentment among educated Indonesians had been rife.

Furthermore, there is the fact that, whatever their intentions behind the scenes, the British trained over 10,000 Dutch officers and men in 1946, and supplied arms for the outfitting of 62,000 Dutch troops before leaving the Indies in November. The backbone of Dutch military strength in the Indies still is, in fact, British-trained and British-equipped.

Whether the situation would have turned out differently had American troops come to Java is open to conjecture. That there would have been certain differences in procedure is obvious. The Americans would, first of all, have come in sufficient strength and number to accept the surrender of the Japanese and much of their equipment, to round up and intern them, and to make the use of Japanese troops against the Indonesians unnecessary. The Americans would possibly have released and evacuated the Allied prisoners of war and internees more rapidly than did the British. But even after these measures had been taken, it still is certain that the nationalist problem would have arisen; that the nationalist core would have been strong and effective; that sufficient military equipment would still have been available for the Indonesians to maintain an

army; that the Americans would have been at least as unwilling as the British to conduct extended military operations against the Indonesians; that the American troops might have been considerably more partisan—on ideological grounds—than were the British, and that they might have been especially unfriendly to any token manifestation of Dutch military might.

At least the conclusion seems warranted that the United States was temporarily saved from a severe headache, from much criticism and sharp animosity by the decision of Potsdam to delegate the re-occupation tasks in the Indies to S.E.A.C. and not to MacArthur. The British were faced with a particularly difficult and explosive set of problems in the re-occupation of Indonesia, but even their best and sincerest attempts to solve these problems received neither the thanks nor the credit they were due. It is not likely that the United States would have been more successful under the circumstances.

## CHAPTER THREE

### *PROPOSALS, COUNTERPROPOSALS AND THE LINGGADJATI AGREEMENT*

On March 25, 1947, at the Rijswijk Palace in Batavia in front of a larger-than-life portrait of Queen Wilhelmina, the Dutch Commission-General and the Indonesian Delegation signed the Linggadjadi Agreement after sixteen months of official and unofficial negotiating—sixteen months crammed with statesmanship, perseverance, restraint and also pettiness, stubbornness, provocation and bungling on both sides. Sporadically broken off when agreement seemed impossible or when consultations with the Hague or Djokjakarta became necessary, the negotiations were dominated by the will and stature of two men, Sjahrir and van Mook. Their convictions in the face of harsh criticism and their self-control when extremist pressures were exerted upon them from their respective camps were largely responsible for preventing a complete breakdown as long as they did, and for the slow if not always steady improvement in relations between the Republic and the Dutch Government.

Over all the negotiations hung the specter of mutual distrust and suspicion. This proved the most powerful obstacle in the way of a successful meeting of minds, again and again preventing a full fruition of the work of van Mook and Sjahrir. Van Mook was the target of attack from both the Indonesian and Dutch press; Sjahrir had spent eight years in Dutch prisons; yet both kept their heads and continued resolutely with their painfully slow task. Conflict of many luminaries and personalities characterized the sixteen months of heated negotiations: Sir Archibald Clark-Kerr and Lord Killearn, on the British side; Willem Schermerhorn, and the dignified, conscientious Feike de Boer of the Dutch Commission-General; the strong, intense Amir Sjarifoeddin and the colorful, photogenic *enfant terrible* of the Indonesian Delegation, Dr. A. K. Gani, on the Republican side. These forceful personalities, and others as well, contributed their share to the evolution of events. Nevertheless, Sjahrir and van



Mook dominated the discussions; their hardheaded realism and foresight were largely responsible for such progress as was made, until the signing of Linggadjati.

Van Mook, criticized bitterly by right-wing groups in the Netherlands—including the former Prime Minister Pieter Gerbrandy—for being a traitor and a weakling, exercised the careful, plodding, dependable statesmanship without which a permanent alienation of the Republic would have materialized immediately. A keen if not brilliant negotiator, van Mook headed the body by Dutch liberal opinion which favored protection of Dutch economic interests at the price of political compromise. The Linggadjati Agreement was an epitome of this viewpoint. When, under the influence of pressures which will be examined later, Dr. van Mook's views underwent a substantial alteration, the hostilities of July 21, 1947, resulted.

On the other side, Sjahrir was responsible for holding back extremists who sought to turn Soekarno's policy away from compromise with the Dutch. Sjahrir is probably one of the most reasonable, unassuming and moderate revolutionaries who ever lived; he demonstrated that unusual combination of tenacity of purpose and willingness to compromise which characterizes true statesmanship, and which was so instrumental in the framing of the final agreement; a combination which is all the more remarkable in a man so young (thirty-eight years), the major part of whose political career, from 1934 to 1942, had been spent in exile in Tjipinang, Java, Boven Digoel, New Guinea, and Banda Neira.

#### OFFICIAL DUTCH POLICY

In November 1945, the cornerstone of the returning Dutch Government's policy was a speech made by Queen Wilhelmina on December 6, 1942, outlining the future concessions which the Crown was prepared to make in its colonial policy. As with most broad policy statements, the Queen's speech was properly generalized and open to diverse interpretation. It was the task of the returning Dutch Government to adapt this policy to prevailing circumstances in such a way as to secure the greatest possible protection of Dutch interests in the Indies. Since the colonial government had not had sufficient information concerning these circumstances, and particularly concerning the character and strength of the new Republic of Indonesia, it had to work out this adaptation gradually. Temporarily, therefore, pending test and scrutiny of the new forces, the Dutch stuck closely to the letter of the Queen's speech and refused to make any specific

or new commitments. Much ill-feeling and animosity could have been avoided if the van Mook government had from the start possessed the knowledge, capacity and resiliency to supplement the letter of the Queen's speech with a more friendly attitude toward the budding, if not perfected, Republic.

The official Dutch policy had no place for, and took no account of, the revolutionary Republic. This, indeed, was at first simply dismissed and discredited as a temporary and weak Japanese-inspired movement which would collapse as soon as its collaborationist leaders were arrested. When Dr. van der Plas, the first representative of the Netherlands Indies Government to return to Indonesia, went as far as to suggest that Soekarno be invited to submit his suggestions for the reconstruction of the Indies, he was reprimanded by his own government. Even van Mook's meeting with Soekarno in Batavia in early November was described by the Hague as taking place "against the expressed wish of the Netherlands Government and against its instructions." Dutch policy as laid down by the Queen did not appear to have any room for a revolutionary regime in Indonesia, whose sponsorship and strength did not derive from Dutch-approved sources.

In brief, the policy outlined by the Queen reaffirmed the Netherlands Government-in-exile statement of January 27, 1942, which called for a Round Table Conference of the Kingdom consisting of representatives of the Indies, Surinam, and Curaçao, as well as the Netherlands, "to discuss collectively a project for the reconstruction of the Kingdom and its constituents along lines suitable to the changed circumstances." The Queen in December of the same year supplemented this by stating that the Kingdom should be reconstructed on the basis of a complete and equal partnership among the constituents, and that the Round Table Conference "will direct its efforts towards the creation of a State Union (*Rijksverband*) in which the Netherlands, the Indies, Surinam and Curaçao will be equal partners" while retaining the right of self-government on purely domestic matters.

On November 6, 1945, the Netherlands Indies Government reiterated this policy by direct quotation from the Queen's speech. In addition, the Government recognized the legal, nationalistic aspirations of the Indonesians (not of the Republic, however), but indicated clearly that the Netherlands Government considered itself responsible for directing the development of Indonesia up to the time when it would be able to stand as an equal partner with the other

three components of the reconstructed Kingdom. Also, the Dutch statement promised a democratic representative body to consist predominantly of Indonesians, an expansion of educational facilities, a recognition of the Indonesian language as the official language along with Dutch, and abolition of social and racial discrimination. This program promised broad revisions in colonial policy, which, by 1939 standards, were themselves revolutionary in character.

Before the war, and after the revision of the Netherlands Constitution of 1922, the Kingdom had been described as being composed of four constituent parts—the Netherlands, the Netherlands Indies, Surinam and Curaçao. It was not, however, at that time stated or presumed that these parts were on an equal footing. The Crown retained the right to suspend all ordinances enacted by the Netherlands Indies Government. Secondary and final control of the Indies budget, as well as the right to legislate on subjects affecting the internal affairs of the Indies, were retained by the States-General in the Netherlands. Until the Japanese oil negotiations in 1940-41, which van Mook handled from Batavia in his capacity as Lt. Governor General, all foreign relations of the Indies were managed from the Hague. The *Volksraad* or Parliament of the Indies was, moreover, a quasi-legislative body, partly elective and partly appointive in composition, which could only initiate certain kinds of legislation and which was, in any case, subject to the Governor General's veto. Political liberties had been strictly defined by a rigid code, and secondary and higher education had been limited.

There had, then, been no political democracy in the Indies before the war. High-placed liberals in the Netherlands Foreign Office have readily admitted this fact. The Government's new policy of November 6, 1945, thus was a marked and progressive divergence from pre-war policy, even though it carried no mention or acknowledgment of the Indonesian Republic.

The zealous, self-conscious republican leaders had certain conceptions which were basically at variance with the Dutch policy statement of November 6. Primarily, they favored the development of Indonesia under the Republic rather than under the aegis and responsibility of the Dutch, as projected by the November 6 statement. In addition to this difference, and to the further estrangement occasioned by four years of Japanese occupation and the stimulating, sometimes belligerent new feeling of dignity with which the nationalists felt themselves endowed, there was the belief, strong and

widespread among them, that the Dutch could not be trusted to carry out their promises. Right or wrong, justified or unjustified, this distrust persisted. It made the Indonesians unwilling to take any of the Dutch suggestions at face value in November 1945, and for that matter in November 1946, when the Linggadjati Agreement was drawn up. This distrust was reciprocated by the Netherlands Government which feared the Republic was out to sabotage all Dutch interests, legitimate as well as illegitimate. Moreover, the distrustful die-hard elements on both sides were to find abundant justification for their fears in the course of the trying events of the following months of negotiation.

The Indonesian position was that the Republic claimed to be and was the *de facto* authority over all the territory of the Indies, and that the Republic was prepared to negotiate with the Dutch as a specially interested power, although recognition of the Republic's independence was the *sine qua non* of any such negotiations. Both the Dutch and the Indonesian basic claims were to be modified substantially before the Linggadjati Agreement was concluded.

On November 14, the Republic took a first step toward compromise by altering its governmental form. The Soekarno Cabinet, which had been chosen by and responsible to the President according to the American system, was replaced by a Cabinet headed by Soetan Sjahrir, and responsible to the Central National Indonesian Committee (K.N.I.P.). Sjahrir was an ardent nationalist with no taint of Japanese collaboration, and it was expected that the Dutch would deal with him where they had been unwilling to deal with the allegedly collaborationist Soekarno. The change, which was the most basic and lasting one to take place in the formal composition of the Republic until Sjahrir's resignation on June 27, 1947, was a significant concession under the circumstances. In the long run, furthermore, it strengthened the Republic's position as well, since Sjahrir was probably a shrewder negotiator than Soekarno would have been.

#### THE BEGINNING OF NEGOTIATIONS

On November 17, the first informal discussions between Sjahrir and van Mook took place under General Christison's direction. The initial optimism which the beginning of the discussions occasioned was short-lived, however. After only the most cursory notice of the Dutch policy statement of November 6, and without any formal discussion of the proposals which it contained, the meetings were ended. They broke down over the question of the return of the

Dutch troops to the islands. Sjahrir and Sjarifoeddin could not agree to this under any conditions, until the Republic's status had been recognized. The K.N.I.P. supported Sjahrir's stand by an overwhelming vote of confidence, and in the tense atmosphere engendered by the outspoken and frank disagreement and distrust between the negotiators, the extremist terror of November and December broke out in Batavia, Bandoeng, and Soerabaja. While the terror was set loose by the breakdown in discussions, it soon took its own head, and could not be controlled by the Republic. It is interesting to note that although the Republic did not itself control the terror, no cleavage developed between the *Pemoeda* or youth extremists—who actually created the disorder—and the Republican Government. The *Pemoeda* groups, in fact, voted to support the Republic even while carrying on, separately and locally, their armed activities.

With the discussions halted after November 22, the terror grew worse, and at the Singapore Conference on December 6, General Christison received a mandate to re-establish law and order in as large an area as possible. The Dutch, however, were informed at the time that widespread offensive action against the Indonesians was not part of the British re-occupation task or policy.

On December 15, in the midst of the political deadlock and widespread civil disorder, van Mook left for Holland. Of the several low points in the course of developments, this was perhaps the lowest. Throughout the Indies terror was rampant. The Dutch seemed to have neither the imagination to sponsor cooperation with the Republican movement, nor the force to suppress it. The political aims of the Indonesians and the Dutch were at variance over the question of the status of the Republic itself, and neither side was willing to make concessions lest they be interpreted as a sign of weakness. The British military role, moreover, was inadequate due to indecision and insufficient strength, and anti-British feeling on both sides was mounting. World opinion was shocked by the travesty on "liberation" represented by the unexpected course of events in Indonesia. The United Nations Security Council was casting an interested eye on Indonesia as a subject to be added to its already crowded agenda.

The first exchange of views between Dutch and Indonesians certainly showed little of that statesmanship or constructive compromise which were to become so necessary at Linggadjati. At the end of November, the liberal elements on both sides were submerged under a flood of bitterness and distrust, and the future seemed dark indeed. The Linggadjati Agreement was all the more remarkable

when considered against the hopeless background of November and December 1945.

By the time van Mook returned to Batavia one month after his departure, the atmosphere had improved considerably, partly because of the discussions between the British and Dutch Governments at Chequers, and partly because of the incipient recognition by the Schermerhorn Labor Government at these discussions that the Republic could not be ignored or discredited but must be faced and dealt with. From the Dutch point of view, the discussions in London at the year's end had resulted in a British agreement to devote increasing effort to assuring the safety of the A.P.W.I. in the Indies and to the maintenance of order. General Christison was to be recalled and replaced by the "unpolitical" Lt. General Sir Montague Stopford, whom the Dutch found more acceptable. From the Indonesian point of view, the London decision to withdraw the old-guard Dutch militarists, Admiral Helfrich and General van Oyen, was a step in the right direction. Furthermore, the moderate communiqués of the liberal Schermerhorn Government, with which the Indonesians had had no previous contact, also were regarded favorably by the Republic. Finally, the announcement that the British would send to Indonesia Sir Archibald Clark-Kerr—now Lord Inverchapel—their senior career diplomat and ambassador-designate to the United States, to facilitate a resumption of discussions, was welcomed on both sides.

While the Security Council commenced discussions on the Indonesian question, van Mook and Sjahrir met for the first time in over two months on February 10, 1946, under Clark-Kerr's guiding hand, and the first constructive proposals of the Dutch Government to the Republic were presented. In the Government's new statement of policy that day, and in the explanatory *mémoire* which followed six days later, it was stated that the Government would seek the approval of all important regions and population groups in the Netherlands Indies for the re-organization of the Indies as an autonomous commonwealth under the Crown. It was, moreover, promised in the *mémoire* of February 16 that after a period of preparation and consolidation within the Kingdom, the duration of which would be determined by discussion and agreement, Indonesia would be given the right freely to choose its own political future, and the Netherlands would endeavor to sponsor its admission to the United Nations.

With this resumption of negotiations and presentation of formal

Dutch proposals to Sjahrir, a seed of promise, albeit a frail one, was planted. The Security Council reacted promptly by dropping the subject from its agenda, after Russia and Poland had unsuccessfully supported a Ukrainian resolution to send a United Nations investigating committee to Indonesia. The position of the United States on the Council was in opposition to the resolution on the explicit ground that there were now signs of progress between the parties concerned which made United Nations investigation no longer necessary, and on the tacit ground that the suggested cure, with presumably some Russian ingredient, might be worse than the ailment itself.

Actually the proposals of February 10 were still a long way from acceptability, and their reception in Indonesian circles was cool. The proposals nowhere either mentioned the Republic nor accorded it any direct or indirect recognition whatever. No guarantees were given to the functioning Republican Government or its calumniated leaders, and the promise of an interim period was considered too vague to be meaningful. The more extreme nationalist *Laskar* and *Pemoeda* groups, as well as the *Masjoemi* and P.N.I. or Nationalist Parties, openly rejected the proposals and reiterated their demands for complete and immediate independence of all of Indonesia, while the armed extremist bands continued their harassing actions against the British forces in the Outer Islands and in the bridge-head areas of Java and Sumatra. The discussions seemed likely to break off again, but the redoubtable Sjahrir clung to the hope that frank discussion could accomplish more than terror. Almost alone among the nationalists in this hope, he went to Djokjakarta with the new Dutch proposals and persuaded the Central National Indonesian Committee (K.N.I.P.) and President Soekarno that, unacceptable as the proposals were to the Republic, in their present form, they should be considered as the starting point for further discussions aiming at securing more acceptable terms. Returning from Djokjakarta on March 4, stronger than ever and with a plenary mandate from the K.N.I.P. to negotiate, Sjahrir began the long uphill struggle to identify the Republic with the forces of compromise and discussion, rather than with those of disorder and terror.

Sjahrir countered the somewhat abstract proposals of February 10 with a comprehensive statement of the Republic's attitude. He proposed that recognition of the Republic of Indonesia, as a sovereign state exercising authority throughout the archipelago, be regarded as a starting point, and that thereafter close cooperation with and

assistance from the Netherlands Government on all matters would be welcomed. From this point on, van Mook took the initiative and suggested exploratory discussions along the lines indicated by the French blueprint for Indo-China. According to the French plans, the Vietnamese Republic in Indo-China was to be an *état libre* or free state within the *Fédération Indo-Chinoise*, which in turn was to be a part of the *Union Française*. Making it clear to Sjahrir that he was not empowered to make any commitment beyond the proposals of February 10, Dr. van Mook nevertheless agreed to investigate Sjahrir's new suggestions along the lines of the Indo-China blueprint. While still an unofficial action, this fundamental change in attitude was a tribute to van Mook's imagination and adaptability, and was a suitable and complementary reply to the restraint exercised by Sjahrir after his return from Djokjakarta on March 4. Like Sjahrir's expression of willingness to continue negotiations at that time, van Mook's forward step was made against a storm of criticism from the die-hards.

The explorative discussions which ensued between van Mook and Sjahrir, (with Clark-Kerr, in his own words, confining himself to "pouring the drinks"), made considerable progress up to the point at which the Republic agreed that, once it had been recognized, it might take its place within a federated Indonesia connected with the Kingdom. At this point, van Mook felt that sufficient progress had been made along the new line of approach to warrant his return to Holland in order to determine whether the new course would be acceptable at the Hague, and whether his own mandate to negotiate would be extended by the Netherlands Government beyond the limitations of the February 10 statement.

Consequently, van Mook returned to Holland in early April, and Clark-Kerr, who had been sent to Indonesia to get the discussions started again, returned to England en route to his new post in Washington. Upon his return, van Mook's views found strong support from the Labor Government and particularly from the Minister of Overseas Territories, J. H. A. Logemann, and strong opposition from the van Poll Commission<sup>1</sup> which had returned from a trip to Indonesia to inform the Lower House of developments there. Logemann himself undertook the difficult task of making the unpalatable concessions contemplated by van Mook acceptable to a Lower House

<sup>1</sup> The van Poll Commission was appointed as a fact-finding group to report directly to Parliament on the situation in Indonesia. Named for its chairman, Max van Poll of the Catholic Party, the Commission completed its three-month mission and returned to the Netherlands at the end of April 1946.



which was beginning to become more conservative as reconstruction in Holland progressed. Finally, with grave misgivings from the Anti-Revolutionary and Catholic Parties as well as from the van Poll Parliamentary Commission, the Lower House agreed to support the new policies outlined by Logemann in his speech of May 2.

In the first of two speeches in which Logemann eloquently defended van Mook's policy, deplored the van Poll Commission's superficial report—which had stressed the Japanese-inspired origin of the Republic—and concluded with a remarkable statement emphasizing the vitality of nationalism in Indonesia and the need for cooperation with, rather than opposition to, the Republic, he argued:

"The reality of nationalism is a primary fact for which we stand and will continue to stand. . . . In Indonesia this [nationalistic] movement is above all other considerations. One can indeed make a distinction and state that the broad masses of the population have hardly arrived at political awareness and that among these broad masses nationalism is still only a spiritual awareness which is not of much practical consequence. If, however, one acknowledges the presence of any awareness, one must ultimately acknowledge the vitality of nationalism. I am convinced that there is not one man of influence in Java who is not a part of the nationalist movement in one way or another, although some value law and order so highly that they stand with the Government [rather than with the Republic]. . . . There is only one realistic approach from our side, alongside of which all else is pure fantasy; and that is that if we wish to solve this problem in a way which will stand the criticism of world history, then we must, with all the earnestness and sincerity that is in us . . . aim at cooperation with the [nationalistic] group [of Sjahrir] and therewith to reach agreement. There is no other way."

The Parliamentary debates in Holland closed on this hopeful note. Van Mook returned to Batavia. The new proposals, which he presented to Sjahrir on May 19, 1946, for the first time specifically countenanced the Republic and offered *de facto* recognition of the Republic's authority in Java, with the understanding that the Republic would become part of a federated Indonesian State within the Kingdom, such a state to have the right of eventual independence after a suitable interim period should it so choose.

These new proposals had come a long way from the February 10 policy and seemed a step toward real agreement. But they were still unacceptable to the Republic. The picture of hope and optimism that prevailed on May 19 was to change sharply by a series of unfortunate incidents which almost caused a complete rupture of the

improved relations which van Mook and Sjahrir had worked to build up.

After Sjahrir received van Mook's second set of proposals on May 19, he returned to Djokja for a Cabinet session to discuss the new Dutch offer. At the same time, general elections were called in Holland. The Schermerhorn Cabinet resigned on May 21, although continuing to function until a new Cabinet should be formed. Sjahrir returned from Djokja with counterproposals to the Dutch offer on June 17, but van Mook was not yet ready to conduct further formal discussions until he received a new mandate or until the new political line-up and policy in Holland had been clarified. The counterproposals rejected the proposals of May 19 and suggested instead recognition of the Republic's *de facto* authority in both Java and Sumatra and the formation of an alliance with, rather than a partnership under, the Crown.

Further events forced the Sjahrir-van Mook negotiations out of the limelight. In the latter part of June 1946, a *coup d'état* was attempted against the Soekarno-Sjahrir Government. Led by the Communist Tanmalakka and the disaffected, ambitious Soebardjo, who had been dropped from the Foreign Affairs portfolio when Sjahrir organized his first Cabinet, this "popular front" movement was sharply leftist in character, and opposed the dealings with the Dutch, aiming at the overthrow of Sjahrir and Soekarno. Sjahrir was kidnapped by this misguided group in Soerakarta toward the end of June, and for a while it was rumored in Batavia that he had been, or would be, killed by his kidnappers. What such a catastrophe would have meant, it is hard to say, but it might well have ruptured relations between the Dutch and Indonesians permanently. For at that time, Sjahrir was probably the only Indonesian acceptable for negotiations by both sides. Had he been killed, it is likely that right-wing Dutch pressure would have diverted the policy of the Netherlands Government toward stricter and harsher measures.

Acting quickly and decisively, Soekarno proclaimed a personal dictatorship over Republican areas on June 30. Amir Sjarifoeddin, the Minister of Defense, ordered the arrest of the ten leaders of the attempted *coup* and secured the release of Sjahrir. Soekarno's and Sjarifoeddin's drastic but effective action preserved the continuity of the Republic and nipped in the bud what might have grown into a political break-up in the interior.

A new Cabinet was formed in the Netherlands on July 2, consisting of a Catholic-Labor coalition, with the Catholic Party controlling

about 30 per cent of the seats in the Lower House and Labor a close second with approximately 24 per cent. The farsighted Minister Logemann was replaced by the Catholic Party's representative, Jonkman, but no immediate change in policy toward Indonesia materialized because the support of the liberal-leftist Labor Party was necessary for the new Cabinet to govern. The later stiffening of Dutch policy, however, was not unrelated to the earlier change in the makeup of the Netherlands government.

After formation of the new government in the Netherlands, Sjahrir's counterproposals of June 17 were held in the Dutch Cabinet for study, and the policy in Indonesia came up for full debate in the Lower House. Definite action was urged because of the increasingly difficult foreign-exchange position which the political situation was aggravating in the Indies. Again press influence from rightist and military groups advocated forcing the issue.

In Batavia, van Mook was authorized to proceed with the implementation of the February 10 proposals for the time being as best he could, and to consult with all regional and population groups in the Indies for the reorganization of the islands on a federal basis within the Kingdom. It was probably felt, furthermore, that diversionary action was necessary in order to shift the center of gravity and the spotlight away from the Republic, which was already beginning to solidify its position by establishing contacts abroad—particularly with the new Interim Government of India.

In the implementation of this policy, van Mook called a conference of regional representatives from Borneo, the Celebes and Moluccas and the Lesser Soenda Islands (the so-called "Great East" areas), Bangka, Billiton, and Riouw. On July 19, at Malino near Macassar, a conference took place of forty such representatives, who had been chosen by local electoral boards or appointed by the local *Paroeman Agoeng* or Great Council, with supervisory control over the panel of eligible candidates exercised by the Dutch Department of the Interior. It is interesting to note that representatives from Java and Sumatra were not invited to attend the conference on the official grounds that "political conditions there made a free expression of the people's will impossible." In reply, the Republic expressed contempt for the conference which Dr. Hatta characterized as "a puppet show . . . whose performers were designated by the Netherlands Indies Government."

After several days of discussion, the Malino Conference adopted resolutions calling for the eventual formation of a federal state, the

United States of Indonesia, to consist of four equal and semi-autonomous states: Java, Sumatra, Borneo and the Great East. The conference also confirmed the plan of having a "defined period of cooperation within the Kingdom in order to enable the U.S.I. to create the governmental apparatus without which it could not make a free and independent decision concerning the basis on which future relations between the Netherlands and Indonesia should be continued." The conference also expressed the belief that "there ought to be lasting voluntary cooperation between the Netherlands and the U.S.I.," but could agree on no definite time limit for the initial preparation period.

Again, at the Pangkal Pinang Conference in the beginning of October, the resolutions reached at Malino were endorsed by representatives of the European, Eurasian, Chinese and Arab racial minorities.

Van Mook was prosecuting the Government's proposals of February 10 energetically and constructively, before getting back to the primary problem of negotiations with the Republic. Actually, although some of the "rubber-stamp" accusations which the Republic directed against both Malino and Pangkal Pinang may have been justified, these charges overshot their mark. At Malino, in fact, the economic bill of rights drawn up by the conference included strong criticism of Dutch Government-sponsored monopolies and economic privileges, particularly those formerly enjoyed by the Royal Dutch Navigation Company shipping monopoly in the Outer Islands, and the special position of the Java Bank. At Pangkal Pinang, one of the Arab speakers had to be called sharply to order for derogatory remarks he was making about the Netherlands Indies Government.

Between these two conferences, three events took place, which later proved of major significance in facilitating the Linggadjati Draft Agreement. On August 13, the K.N.I.P. ended Soekarno's dictatorship, and Sjahrir returned to the post of Prime Minister, heading a new Cabinet whose main change was that it included eight instead of five members of the rightist Islamic *Masjoemi* Party, which was inclined to favor a strongly antagonistic policy toward the Dutch proposals. On August 17, the States-General in the Netherlands enacted a law setting up a Commission General to represent the Netherlands Government in the forthcoming negotiations. The Commission was given almost plenary powers to negotiate and to arrive at an agreement on the spot without having to refer back to the Hague, as van Mook had formerly been required to do. It was

expected that this additional power would expedite agreement, and this proved to be the result. The former Prime Minister, Schermerhorn, leader of the Labor Party and a scholarly humanist as well, was chosen to head the Commission; the Catholic Party's Max van Poll, Feike de Boer, the former director of the Netherlands Shipping Company, and van Mook rounded out the membership. At the end of September 1946, they arrived in Batavia to begin their task which seven weeks later was to result in the Linggadjati Draft Agreement.

Perhaps most important, a semi-official Dutch mission headed by Dr. P. J. Koets, the Chief of van Mook's Cabinet, made a trip to the interior of Java, from September 15 to September 20, at the Republic's invitation. The impression brought back by Dr. Koets was highly favorable to the Republic. With remarkable candor, the first high Netherlands Indies Government official to visit the interior since the re-occupation described the order, peacefulness, productive activity, friendliness, and relative economic prosperity prevailing in the interior, in the face of appalling handicaps. *Inter alia* Dr. Koets stated, contradicting finally and definitely many ideas which had been generally accepted in Dutch circles:

"The general picture we saw was that of a society which was not in the course of dissolution but which is being consolidated. . . . I must add that I have had talks with many people whom I knew in former years, as well as with young people whom I met for the first time. Each time I asked: 'What is for you the essential thing that has happened during the last year?' . . . I received the same answer. . . . 'It is the feeling of human dignity.' People now realize that they are capable of doing something. From conversations which went beyond superficialities I heard of the fear of a return to colonial status. . . . Not so much because people feared economic exploitation or domination, or something of that sort, . . . but rather because of a fear that they might lose again this new feeling which they had joyously acquired, which they had, so to speak, discovered in themselves, and which the people feel is something so precious that they cannot live without it. This is a reality of which we must be thoroughly aware."

The Koets report, coming unexpectedly from a high and responsible Dutch official, did much to improve the atmosphere of the discussions which were resumed between the Commission General and the Indonesian delegation on October 7, under the chairmanship of Lord Killearn. Probably more than any single event since the start of the negotiations a year earlier, Koets's candid appraisal awakened a real hope in the hearts of many ardent nationalists that cooperation

and understanding with the Dutch was possible. In the total course of the negotiations, the Koets mission and report stand as the most shining examples of Dutch willingness to recognize changes and to make adaptations to them.

#### COMPROMISE AT LINGGADJATI

It had become apparent that if Sjahrir held to his counterproposals of June 17, he could not accept the reaffirmation at Malino of the Dutch intention to separate Java and Sumatra by recognizing Republican *de facto* authority in Java only. A military truce was concluded under the sponsorship of the British Special Commissioner, Lord Killearn, on October 14, between the Allied (British and Dutch) forces under Lt. General Mansergh's command and the Indonesian forces under General Soedirman's command; nevertheless, the Republic's determination to stand by the unity of its authority in Sumatra as well as Java became obvious after the first discussions on October 7. Further concessions were necessary from the Dutch, and a new formula had to be found which would also satisfy the basic demands inherent in the Republic's counterproposals of June 17. The creative statesmanship needed for this was not lacking and on November 12 the final compromise was reached at a hill station outside Cheribon, called Linggadjati.

At Linggadjati, the Commission General for the first time met Soekarno officially. Dutch policy had come a long way from its non-recognition of the allegedly Japanese-inspired Republic. A number of concurrent factors provided the final impetus that was needed to bridge the gap between the two positions. The Koets report, the pressure of the economic standstill, the pending departure of British troops on November 30, a critical world opinion, and the galvanizing influence of Lord Killearn, all had their effect. The agreement itself, initialed on November 15 in Batavia (though not signed until March 1947) was a tribute to the perseverance and integrity of van Mook and Sjahrir who had labored so long drawing its blueprint. The weaknesses in the final solution stemmed not so much from what it said but from what it did not say: from certain political realities which it ignored, and from the fact that the perseverance and integrity of its architects were not shared by its artisans.

Linggadjati and the accompanying minutes provided *inter alia*:<sup>2</sup>

1. That the Netherlands Government recognize the Republic as the *de facto* authority in Java and Sumatra;

<sup>2</sup> For the complete English text of the Agreement, see Appendix, p. 175.

2. That the Netherlands and Republican Governments cooperate toward the setting up of a sovereign democratic federal state, the United States of Indonesia, to consist of three states, the Republic of Indonesia, embracing Java and Sumatra, the state of Borneo, and the Great Eastern State;

3. That the Netherlands and Republican Governments cooperate toward the formation of the Netherlands-Indonesian Union, to consist of the Kingdom of the Netherlands—including the Netherlands, Surinam, and Curaçao—and the U.S.I., which Union would have as its head the Queen of the Netherlands;

4. That the Netherlands-Indonesian Union and the U.S.I. be formed not later than January 1, 1949, and that the Union set up its own agencies for the regulation of matters of common interest to the member states, specifically, the matters of foreign affairs, defense, and certain financial and economic policies;

5. Finally, the Agreement provided for a mutual reduction in troop strength and a gradual evacuation of Dutch troops from Republican areas as quickly as possible consistent with the maintenance of law and order, and for the recognition by the Republic of all claims by foreign nationals for the restitution and maintenance of their rights and properties within areas controlled by the Republic.

On paper, at least, Linggadjati appeared to concur with most of the Republic's demands as stated in Sjahrir's counterproposals of June 17. The counterproposals had demanded the recognition of Republican *de facto* authority in Sumatra as well as in Java, and Linggadjati endorsed the Republic's standpoint. Furthermore, according to the Agreement, the U.S.I. would be a sovereign democratic state and an equal partner of the Kingdom, rather than a partner of the Netherlands within the Kingdom as the Dutch had proposed. From a purely political point of view, the Netherlands seemed to have made the greater concessions. Nevertheless, it had maintained its basic, minimum requirements, i.e., keeping Indonesia under the Crown (which itself would acquire a dual function as sovereign of the Netherlands and "head of the Netherlands-Indonesian Union"), and reorganizing the Indies on a federal basis according to the Malino plan, with the Republic as one of several constituent states.

The Agreement had two main and vital weaknesses which were to occasion a rapid degeneration of the situation up to its final ratification by the Netherlands and the Republican Governments, and even after its signing on March 25, 1947. In the first place, Linggadjati

jati referred continually to *cooperation* between the Netherlands and the Republic toward the construction of the U.S.I. and the Netherlands-Indonesian Union; cooperation in the reduction of military forces and in the regulation of economic matters. Despite the Agreement, there were still many strong elements on both sides which were not yet ready for such cooperation, largely because they lacked the conviction that the other party was sincere and trustworthy. In this sense, Linggadjati, whatever its craftsmanly statesmanship, really represented only a somewhat premature agreement to agree.

Secondly, Linggadjati called for a *federal* U.S.I. to consist of three semi-autonomous states, the Great East<sup>3</sup> and Borneo as well as the Republic. It implied a paper equality of areas which are not, cannot and will not be equal—economically, politically, or culturally. In the first place, Java and Sumatra together contain about 85 per cent of the total Indonesian population, and at least the same percentage of the educated Westernized intellectual group. Furthermore, before the war they accounted for between four-fifths and nine-tenths of the total export and import trade of the whole Indonesian archipelago.<sup>4</sup> The potential economic wealth of Sumatra, moreover, is probably greater than that of the whole remainder of the archipelago, with the possible exception of the unexplored vastness of New Guinea. Compared with the extremely top-heavy and unbalanced federal state envisioned by Linggadjati, the United States of America was at its inception a federation of equal parts.

<sup>3</sup> At Den Pasar in Bali on December 18, 1946, 60 representatives of *daerahs*, or regions, and 15 representatives of racial, cultural, social and economic groups throughout the "Great East," convened at the call of the Netherlands Indies Government to draw up a constitution for a new State of East Indonesia, according to the Malino plan. Van Mook's intention was to go ahead with the projected plan for a federalized U.S.I. while final word concerning the Linggadjati Agreement was still pending in the Netherlands.

According to the constitution of December 24, 1946, the new state was to exercise some initial local autonomy, but until the formation of the U.S.I., all matters pertaining to foreign affairs, defense, finance, trade, education, industrial and economic policy, public works, and so on, would be under the control of the Netherlands Indies Government. The Constitutional Convention chose the docile Balinese, Soekawati, as President and selected Macassar as the capital of the new state.

The Republic interpreted Den Pasar as a side-show apart from the main negotiations, and as a violation of the spirit if not the letter of Article 2 of Linggadjati, which provided that the "Netherlands and Republican Governments will cooperate in the formation of . . . the U.S.I." The Republic felt that "East Indonesia" had been set up unilaterally, rather than cooperatively, and that the new state was simply a Dutch-controlled puppet with no will of its own.

<sup>4</sup> In 1939, approximately 85 per cent of the Netherlands Indies' exports came from Java and Sumatra, and approximately 90 per cent of total imports were for these areas.



On March 25, 1947, the Agreement was signed. At the time it was openly stated that both signatories bound themselves to different interpretations of the terms "cooperation" and "federal." The Netherlands Government assumed that cooperation with the Republic nevertheless implied a continuation of Dutch leadership and sole responsibility pending the formation of the U.S.I., while the Republic interpreted the term to mean joint responsibility and mutual consultation in the setting up of the projected federation. Moreover, the Dutch interpreted the term "federal" to mean equal states with equal voices tuned in key with that of the Netherlands; while the Republic interpreted it to mean that a federal U.S.I. did not deny either the Republic's own primacy among the component parts by virtue of its greater political and economic wealth and maturity, nor its equal position as co-sponsor of the U.S.I. along with the Netherlands Government.

These basic and vital differences in interpretation made the outlook cloudy. As a protest against acceptance of the unworkable and unsettled terms, and the difficulties they foreshadowed for the future, de Boer, one of the most practical and liberal Dutch figures in Indonesia, tendered his resignation from the Commission just prior to the signing. The difficulties envisioned by de Boer were not long in materializing, for, although it was a remarkable and tangible instrument of compromise and statesmanship, Linggadjati was only a bare beginning of the adjustments which had to be made before Indonesian-Netherlands relations became stabilized on a new footing. Sixteen months of tedious and nerve-wracking negotiations had produced an Agreement which was widely regarded as a panacea and final settlement. At best Linggadjati was only a first, if vital, step toward the political and economic reorganization of Indonesia.

The rapid and critical degeneration of Indonesian-Dutch relations after Linggadjati—leading to Sjahrir's resignation on June 27, 1947 and the outbreak of Dutch police action in July—resulted not so much from what the Agreement said, but from what it failed to say, and from the absence of a real meeting of minds on the fundamental questions of cooperation and federalism. Political crises were to develop continually in the following months over the issues of a proposed Interim Government, a joint Dutch-Indonesian police force, a joint cease-fire order, and other practical questions. As one issue was resolved another was to take its place, while lurking in the background and abetting each successive difference was a mutual distrust of motives and intentions.

## PART II

# THE REPUBLIC IN OPERATION



## CHAPTER FOUR

### *POLITICAL ORGANIZATION OF THE REPUBLIC*

Throughout the tedious and protracted diplomatic negotiations, the Republican Government managed to strengthen and solidify its position by increasing its contacts and friends abroad and by extending its control and authority at home. When, finally, the negotiations regarding the implementation of the Linggadjati Agreement were broken off after several earlier premature crises, and Dutch armed forces undertook a program of "limited police action" on July 21, 1947, the Republican Government was already in charge of a functioning and effective organization whose potentialities were still bright despite the initial military setbacks it sustained.

Moreover, when Dutch military operations began, the Republic's position was considerably stronger and more firmly grounded than had been that of the revolutionary Vietnamese Government of Ho Chi Minh when French forces began their unsuccessful drive in Indo-China sixteen months earlier. During the two years since its birth, the Indonesian Republic had given rise to a functioning political organization with unofficial representation in the Middle East under its Foreign Minister Hadji Agoes Salim, in India, and in Australia; with a financial mission on its way to the United States under Dr. Soemitro Djojohadikoesomo, an Indonesian economist and head of the Banking and Trading Corporation; with many friends in England and in the United States; and with its former Prime Minister, Soetan Sjahrir, embarking on a world tour to cement these friendships and plead the Indonesian cause.

At home, the Republican Government had centralized the command of its armed forces. It had shipped more than 60,000 tons of rice to India in exchange for textiles and agricultural implements, and had made initial steps toward putting into effect its plans for public works and reconstruction within the interior of Java and

Sumatra. The Government had formulated plans for a large-scale migration of population from overpopulated Java to underpopulated Sumatra. Finally, the Republic had made some progress in its control and rehabilitation of the sugar, rubber, quinine, and textile industries and had expressed the outlines of its economic policies toward labor relations, banking, foreign investment, and foreign trade.<sup>1</sup>

The Government which had been responsible for these appreciable advances under the most trying pressures from both left and right still was an amorphous organization that had evolved from the original Constitution more as a response to changing circumstances and needs, than as a direct fulfillment of that Constitution.

Adopted by the Commission for the Preparation of Indonesian Independence on August 18, 1945, the somewhat vague and hastily-framed Constitution provided for a representative "Congress of the People," to consist of both regional delegates and popular delegates, the latter in a body to be called the "Council of Representatives." The Constitution placed broad powers with the President, who was made Commander-in-Chief of the Armed Forces, and who was "vested with the power of government," assisted by his Cabinet and by an advisory Council of State. However, final sovereignty was declared to rest with the people and, through them, with the Congress of the People.<sup>2</sup>

The Preparatory Committee stated, in a transitory provision of the Constitution, that under the emergency conditions of August 1945, when the Indonesian Declaration of Independence was made, the powers of these organs [i.e., the Council of State, Congress of the People and Council of Representatives] "will be exercised by the President, assisted by a National Committee" appointed by him.<sup>3</sup>

The present political organization of the Republic has, in fact, evolved more from this transitory provision of the Constitution than it has from the Constitution itself. As a result of this evolution, the political mechanism of the Republican Government has come to revolve around three basic entities: (1) the President, (2) the Prime

<sup>1</sup> See Chapter 5.

<sup>2</sup> See Chapter I and Chapter II of the Constitution for a statement of the people's sovereignty and the powers of the Congress of the People. Chapter III enumerates the broad powers reserved to the President. The meaning of the term "power of Government" is yet to be interpreted clearly, since it might appear to conflict with the ultimate sovereignty of the State which the Constitution reserves for the people. It seems probable that the Constitution is referring to the "executive" power of government in this regard. See Appendix, p. 165.

<sup>3</sup> See Transitory Provision IV, Appendix, p. 171.

Minister and his Cabinet, and (3) the Central National Indonesian Committee or K.N.I.P. (*Komite Nasional Indonesia Poesat*) representing the political parties.<sup>4</sup>

Of the three, the President was probably the strongest single factor. Not only does the President stand at the helm of the Republican Government, but the personality of President Soekarno was, for large masses of the Indonesian people, the incarnation and symbol of Indonesian nationalism. In the words of Dr. Koets, the Chief of the Dutch Cabinet in Batavia:

"Soekarno's influence on the masses and on certain sections of public opinion places him in a real position of authority. To the intellectuals, young and old alike, he is the symbol of a realization of the ideal of independence. The representation of national unity in his person is a force that is generally regarded as irreplaceable and indispensable at this stage of the struggle for freedom."<sup>5</sup>

While Soekarno was commander-in-chief of the armed forces, and while he had the power to enact law in the form of Presidential decrees without initial recourse to any governmental agency,<sup>6</sup> the primacy of his office in the Republic derives more from his position as the symbol of the nationalist movement and as the major influence keeping dissident nationalist elements within the Republic, than it does from the actual legislative and executive powers which he exercises.

In practice the scope of Soekarno's actual execution of his powers was limited by two factors: first, by the activity and behind-the-scenes influence of his trusted colleague, Vice-President Mohammed Hatta, who acted as an assistant rather than a Vice-President, and who handled the day-to-day internal administration of the Republic; and second, by the alteration of the original governmental form

<sup>4</sup> The Vice-President of the Republic, while exerting very strong powers, is not treated as a separate unit, since his powers are actually delegated Presidential powers and can thus be considered as part of the President's prerogatives.

<sup>5</sup> Report of Dr. P. J. Koets after his return from a mission to Djokjakarta. Quoted from the Netherlands Indies Government Information Service Release, October 16, 1946, Batavia.

<sup>6</sup> The K.N.I.P. was endowed with legislative powers by Presidential decree in October 1945. While the K.N.I.P. has asserted its right to review Presidential decrees, its only attempt to enforce this right occurred in March 1947, in the matter of a Presidential decree increasing the size of the K.N.I.P. in order to secure support for the Government's policy of negotiation and compromise with the Dutch, according to the Linggadjati Agreement. The K.N.I.P., however, finally withdrew its veto of Soekarno's decree at that time, when both Soekarno and Hatta threatened to resign if the move were rejected. The speech containing this threat of resignation was actually made to the K.N.I.P. by Hatta.

which called for an American-type Cabinet, chosen by and responsible to the President. In its place, a continental-type Cabinet was set up, chosen by and responsible to its Prime Minister who, in turn, was selected by the President with the K.N.I.P.'s consent, and who was made directly responsible to the K.N.I.P. after he took office.

The reason behind this unexpected alteration in the governmental form, which took place only three months after the Constitution had been adopted providing for a Presidential Cabinet, is to be found in the policy which the Netherlands Indies Government adopted when it returned to Batavia in the fall of 1945. Refusing to negotiate with Soekarno or Hatta on the ground that they were Japanese collaborators, the Dutch indicated their willingness to conduct informal discussions with a high and competent Republican official who had no taint of collaborationism.

In November 1945, therefore, President Soekarno and the K.N.I.P. changed the governmental set-up by a Presidential decree which was first debated in the K.N.I.P. This decree provided that the post of Prime Minister be instituted in the Government, and a ministerial Cabinet be selected by and responsible to the Prime Minister. The Prime Minister, in turn, would be selected by the President with the K.N.I.P.'s consent, and would be directly responsible to the K.N.I.P. Soekarno's own Cabinet was thereupon dissolved, although several of the ministers, including Amir Sjarifoeddin, accepted portfolios in the new Cabinet; and Soetan Sjahrir was appointed the Republic's first Prime Minister. Sjahrir was chairman of the K.N.I.P.'s influential Working Committee and had a spotless record for the occupation period. He was now empowered to conduct negotiations with the Dutch and British in regard to the fundamental question of Indonesia's future political status.

Although Sjahrir also held the post of Minister of Foreign Affairs, it was in his position as Prime Minister that he handled all negotiations with the Dutch. This fact was substantiated when Sjahrir resigned on June 27, 1947. At that time, the Foreign Affairs portfolio passed to the redoubtable Hadji Agoes Salim who was in Cairo, while the post of Prime Minister—and with it overall direction of the continuing negotiations with the Dutch—passed to Sjarifoeddin. It is thus clear that the position of Prime Minister in the Indonesian Government was instituted as a concession to the requirements of the diplomatic situation, although not provided for or in any way referred to in the Constitution.

Most high officials of the Republic agree that the Constitution

may have to be modified in some respects when more stable conditions have been established; and it seems likely that one modification will involve the final incorporation of the continental ministerial system into the Constitution. However, in the application of this system, the Cabinet will have acquired certain features peculiar to it and peculiar to the Indonesian political scene.

The Prime Minister's Cabinet has come to have a dual function, both parts being equally important. On the one hand, each minister is charged with the running of his particular ministry. In the Cabinet headed by Sjarifoeddin after June 1947, the Prime Minister also was charged with the running of the Defense Ministry; A. K. Gani was Deputy Prime Minister as well as heading the Ministry of Economic Affairs; Hadji Salim became Minister of Foreign Affairs; Wondoamiseno, Minister of Home Affairs; Soesanto Tirtoprodjo, Minister of Justice; A. A. Maramis, Minister of Finance; Setiadjit, Minister of Information; J. M. Leimena, Minister of Public Health; Soeprodjo, Minister of Social Affairs; and Laoh, Minister of Public Works.<sup>7</sup> In this role, each minister handles the particular administrative responsibilities of his ministry.

In addition to this role, the Cabinet plays a vital and unique collective role as the Prime Minister's index of the support he can expect to find among the several political parties for any policies he may propose. In this role, the Cabinet functions as a sort of preliminary round-table where the Prime Minister can find out how party sentiment stands vis-à-vis his prospective plans. The importance of this function can only be fully understood when it is realized that of the four Cabinets which the Republican Government had between November 1945 and the latter part of 1947, three of which were selected by Sjahrir and the other by Sjarifoeddin, not one had a majority or even a plurality of posts occupied by members of the Prime Minister's own party. In fact, the Socialist Party of Sjahrir and Sjarifoeddin had at no time held more than one-fifth of the total positions, including both Ministers and Vice Ministers with and without portfolio.

Thus, each Cabinet was a *coalition* Cabinet. Both Sjahrir and Sjarifoeddin scrupulously observed the practice of choosing their Cabinets from the leaders of the several political parties, although a minimum of six seats, in the total Cabinet of between 25 and 35, was in each case kept for prominent non-party nationalist leaders.

<sup>7</sup> Mr. Setiadjit, the leader of the Labor Party, also became a Deputy Prime Minister under Sjarifoeddin and Gani. For the composition of the later Cabinet, see p. 150.



It is thus by virtue of their positions as party leaders rather than as Cabinet Ministers that the top members of the Cabinet exert their main influence on the formulation and execution of Republican policies. Thus, among 1947 office-holders, Gani was chairman of the strong Nationalist Party; Setiadjit, the second Vice-Premier, was chairman of the Labor Party; Wondoamiseno and Hadji Salim both were prominent leaders of the progressive wing of the large *Masjoemi* Party; and Dr. Leimena was a leader of the Christian Party.

As will appear more clearly in the discussion further on, the political parties and the religious, youth and labor organizations represented in the K.N.I.P. constitute the popular element in the Republican Government, and tentatively represent the link with the people, in whom the Republican Constitution vests ultimate sovereignty. Because of the vital role which the parties play in the Government, and because of the unavoidable coalition nature of his Cabinet, the Prime Minister must use his Cabinet as a sounding-board for those policies which will be finally decided upon only by the full party representation in the K.N.I.P. It is for this reason that Sjahrir and Sjarifoeddin, while conducting negotiations with the Dutch, often had to modify or withdraw commitments to the Netherlands Government which they had tentatively made, after a Cabinet session revealed to them that the parties would probably not support the proposed commitments. While the Prime Minister stood at the helm of his own Cabinet, his relationship to it was a uniquely consultative one and a relatively dependent one. His strength and the practicability of his commitments were dependent on the reaction and support of his Cabinet, or more particularly on the reaction and support of the political parties and other groups which the Cabinet represented at the time. Sjahrir and Sjarifoeddin both had extensive powers in their negotiations with the Dutch, but these powers derived from a coalition party support which had to be referred back to at all times of crisis. This political fact was at least partly the explanation behind the so-called "dilatatory tactics" of the Republic during the course of its negotiations. It was one factor which exhausted Dutch patience to the point where the blow-up of July 21 resulted.

As with most European coalition Cabinets, the Indonesian system had its weaknesses, which became most apparent at times when immediate decision was required. It appears likely that the coalition Cabinet system will continue in the Republic for some time to come, at least until some basis for direct popular representation has been

put into effect, as suggested—but not specifically provided for—in the Constitution.

Until that happens, the only representative body in the Government is the K.N.I.P., which is appointed by the President, and which represents political parties, religious, youth and labor groups, but not the people directly. As long as the K.N.I.P. remains such a diversely and indirectly representative body, without one dominant party or group, it is to be expected that the Indonesian Cabinet will be of the coalition type.

#### THE CENTRAL NATIONAL INDONESIAN COMMITTEE

The first session of the Central National Indonesian Committee, or K.N.I.P., took place on August 29, 1945, and consisted of one hundred and twenty delegates appointed by President Soekarno from the outstanding Indonesian party leaders, as an advisory body in accordance with the fourth transitory provision of the Constitution. At its second session in October, the K.N.I.P. acquired legislative authority by a Presidential decree and selected a Working Committee (*Badan Pekerdja*) of seventeen members to continue in permanent session to handle the new and expanding powers which the larger body was acquiring. As the powers and composition of the K.N.I.P. grew in size and scope, and as the diplomatic situation came to require more and more decisions by the K.N.I.P., the Working Committee tended to become more and more influential. Consisting of a cross-section of party representatives drawn from the K.N.I.P. itself, the Working Committee remained in permanent session, whereas the total K.N.I.P. membership was convened two or three times a year, or when called by the President. It was the Working Committee which both Sjahrir and Sjarifoeddin consulted (in addition to their Cabinets) before making any final commitment to the Dutch.

The Working Committee and the Cabinet have thus functioned to mirror party sentiment for the Prime Minister, and incidentally as reciprocal checks on one another in providing a true image of that sentiment. While the Working Committee has come to act for the K.N.I.P., it is the larger body itself which must vote a final acceptance of any major policy decision before it is accepted as law. For example, in March 1947, at its session in Malang, the K.N.I.P. voted its acceptance of the Linggadjati Agreement which the Prime Minister had already negotiated on a draft basis with the Dutch. In general, if the Prime Minister has consulted and appraised his

Cabinet and the Working Committee closely, he can be fairly sure in advance of the vote which the K.N.I.P. will turn in.

The K.N.I.P., it should be recalled, has become a heterogeneous group of presidentially appointed representatives totaling more than four hundred members. While its broad base and diverse composition hamper its efficiency, and while it might be streamlined when political conditions come to be stabilized, its size and diversity are likely to continue for some time. Until some system of suffrage is applied, and a real, direct representation of minorities can take place on an elective basis, the President will probably maintain the ultra-representative character of the K.N.I.P. in order to retain as much indirect contact as possible with the large, diversified and non-vocal population of Java and Sumatra.

Despite its motley composition, the K.N.I.P., as it functioned in its first two years, can be considered as divided into two main party blocs which were responsible for most of its decisions as well as for those of the Working Committee acting in its place. On the one hand, there is the *Sajap Kiri* or Left-Wing Group, consisting of the strong Socialist and Labor Parties, the Communist Party, and the Socialist Youth Organizations or *Pesindo*, and generally supported by the Central Organization of Indonesian Labor (*Sentral Organisasi Boeroeh Seloeroe Indonesia*) or S.O.B.S.I.,<sup>8</sup> the League of Small Farmers (*Barisan Tani Indonesia*) or B.T.I., and almost all of the separately represented so-called "People's Armies" (*Laskar Rajat*). This bloc generally commands a total of approximately two hundred votes in the K.N.I.P.

The *Sajap Kiri* has provided the major support for the Sjahrir and Sjarifoeddin Cabinets and has favored a policy of moderation, negotiation, and compromise with the Dutch. It is, moreover, this single major issue of negotiation with the Dutch around which the unity of the *Sajap Kiri* has been built. On the other hand, the economic and social views of the *Sajap Kiri's* constituents vary widely from extreme left to center, with the Communists still advocating the doctrine of class struggle, and the stronger Socialist Party favoring gradual and peaceful socialization of the means of production. Despite these variations, it can be said that the left-wing parties stand

<sup>8</sup> The S.O.B.S.I. is closely related to, but is independent of, the Labor Party. While both are represented in the K.N.I.P., the S.O.B.S.I. is regarded as a federation of labor aiming at the protection of labor's rights. It is not, strictly speaking, considered to be a political party. Similarly, the B.T.I. is an organization designed to protect the interests of the small farmer. It also is represented in the K.N.I.P., and its delegates generally vote with the *Sajap Kiri* bloc, although again the B.T.I. is not considered to be a political party. See pp. 68 ff.

for a moderate socialistic state and a planned economy with Government control of public utilities and transportation, and with extensive labor and social legislation.

In addition, the *Sajap Kiri* parties also stress a policy of cooperation with foreign nations and appear to be fully aware of the need for foreign investment and expanded foreign trade in the economic rehabilitation of Indonesia. At the same time, these parties stress the need to have the Government scrutinize foreign investment and trade in order to guard against the possibility of unfair exploitation. These economic policies, which to a large extent are also advocated by other parties outside the *Sajap Kiri*, constitute in effect the explicit and implicit policies of the Republican Government itself. They will be discussed more fully in the following chapter.

The *Sajap Kiri* parties also have tended to favor a widespread program of education, particularly of education along technical lines, in order to build up the critically short supply of trained personnel which the Republic needs and will need in the future. The *Sajap Kiri* group has increasingly tended away from the *Taman-Siswo* system of education which they have come to consider impractical and visionary.<sup>9</sup> Instead, the *Sajap Kiri* parties have favored a new system of education advanced by an Indonesian pedagogue named Mohammed Sjafi. This system aims at technical and creative as well as cultural education and is modeled more along the lines of American and European progressive principles than along the traditional *Taman-Siswo* pattern. Under Sjafi's guidance, the new system has been functioning and gaining increasing support in Kayu Tanam on the West Coast of Sumatra.

Lined up against the left-wing progressive parties in the K.N.I.P. is the so-called right-center bloc: the *Benteng Republik* or "Republican Stronghold." There are two major components in this bloc: the *Masjoemi*<sup>10</sup> or Islamic Party, with its numerous allied youth organizations, which is the largest single political party in the Republic, claiming almost ten million adherents; and the strong Nationalist Party (*Partai Nasional Indonesia*) or P.N.I. In addition, this group has been supported by the People's Party (*Partai Rajat*) and the large, militant *Pemberontakan*, led by the rabid firebrand, Soe-

<sup>9</sup> The *Taman-Siswo* was founded by the old-time nationalist, Dewantara, who was Soekarno's first Minister of Education, but who has since retired into political oblivion. This system advocated a sort of Aristotelian "peripatetic" schools, with a major curricular emphasis on Indonesian culture and tradition.

<sup>10</sup> Standing for: *Madjolis Sjoera Moslimin Indonesia* or Indonesian Council of Moslem Law

tomo.<sup>11</sup> The combined strength of the *Benteng* group in 1947 amounted to approximately one hundred seats in the K.N.I.P.<sup>12</sup>

Throughout the two-year negotiations with the Dutch, the *Benteng* bloc constituted the major opposition to the Government's policy of compromise and concession. In the P.N.I. and the *Masjoemi* parties—as the parties with the oldest nationalist heritage—there was a particularly strong distrust and suspicion of the negotiations and of Dutch intentions in general. As a result, the *Benteng* group continually advocated a stronger and more militant policy toward the Dutch than did the progressive and moderate *Sajap Kiri*. Only seldom, did these parties break decisively from the Sjahrir or Sjarfoeddin coalition Governments. In fact, through most of the negotiations, the *Masjoemi* and P.N.I. have held more seats in the coalition Cabinets than any of the other parties and exerted a strong influence from these positions and from within the K.N.I.P. When the K.N.I.P. voted on the Linggadjati Agreement, the *Benteng Republik* bloc withheld its votes; but immediately after the ratification, the bloc announced that it would support the Government in the implementation of the ratified Agreement.

As already indicated, the division over the fundamental issue of negotiating with the Dutch was responsible for the opposed alignment of the *Sajap Kiri* and *Benteng Republik* in the K.N.I.P. On other matters, the divergence of views between the two groups has been less clearly marked. There are, for example, progressive groups within both the P.N.I. and the *Masjoemi* Parties, which favor a socialistic state, labor legislation, and a liberal education program.

However, there does seem to be a basic difference of the approach of the *Benteng* bloc, and particularly of the conservative wing of the *Masjoemi* Party, to social and economic change from the approach of the leftist parties to the same problems. As the party with the longest history and the most solid grounding in Islamic Law, the *Masjoemi* Party tends to be less receptive to social change and economic experimentation than are the progressive, Leftist parties. Its political attitude is nationalistic, but in a conservative and religious sense. In this respect, the *Masjoemi* Party exerts a strong, stabilizing influence which is particularly important and may be of special significance in the future development of the Republic.

<sup>11</sup> No relation to the founder of the nationalist "*Boedi Oetomo*" or High Endeavor movement in 1908—cf. p. 3.

<sup>12</sup> The remaining seats in the K.N.I.P. aside from those of the *Sajap Kiri* and *Benteng Republik* are held by religious parties, regional and racial groups, women's parties, popular militia groups, and others.

## THE REPUBLIC'S ARMED FORCES

The question has often been raised as to whether the army and the numerous local fighting forces—such as the “People’s Armies” (*Laskar Rajat*) and the Buffalo Army (*Barisan Banteng*)—constitute separate political factions which have their own policies apart from and perhaps even in opposition to those of the Government, and independent of the K.N.I.P.

At the time of the Republic’s beginnings, this was substantially true. The *Laskar*, *Banteng*, and *Hizboellah* fighting corps arose immediately after the Republican Declaration of Independence, from what had been the local people’s groups trained by the Japanese in the hope that these forces would stand with them against the attacking Allied armies. Instead, immediately following the Declaration of Independence, the people’s groups disarmed their Japanese mentors or “accepted” the Japanese surrender in the absence of Allied occupation troops, and then set up their own separate commands without any overall unity such as the Japanese themselves had maintained. With the Japanese weapons which they had seized, these local bands were largely responsible for the terror and plunder of November-December, 1945.

When the first outbreak of terror had subsided, the local forces went through two successive stages of development. First of all, the *Laskar* became increasingly integrated within the structure of the expansive Socialist Youth Organization or *Pesindo*, which in turn was affiliated with the *Sajap Kiri*. By the end of 1946, the *Pesindo* had established titular authority over all the *Laskar* in Sumatra, and twelve of the thirteen in Java. In many instances, however, this authority was only titular, since there was no way for the *Pesindo* headquarters in Djokjakarta to enforce its authority on extremist units which resisted its will and continued their militant activities.

The thirteenth *Laskar*—the large and strong *Pemberontakan* of Soetomo—maintained its independence from the *Pesindo* and took an open political stand on the side of the *Benteng Republik* in the K.N.I.P. by advocating a militant attitude toward the Dutch. The *Barisan Banteng* and the smaller *Hizboellah* fighting corps chose to remain apart from political affiliations either with the *Pesindo* or the *Benteng Republik*. Instead, these groups achieved a certain amount of separate internal integration and centralization of commands.

This was the situation which confronted Sjarifoeddin when he

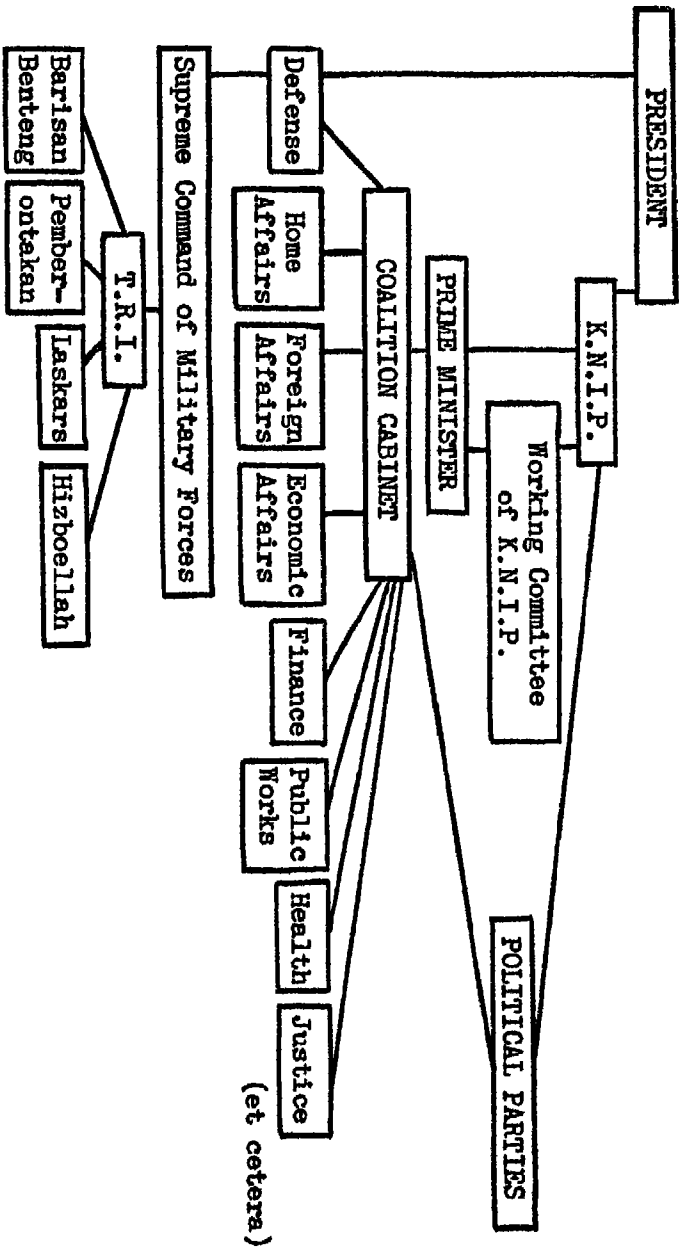
was appointed Minister of Defense by Sjahrir in January 1946. He immediately undertook the task of centralizing and unifying the Republican Army (*Tentara Republik Indonesia*) and the more difficult task of integrating all the different local armed groups under the T.R.I. command, to form one central Republican armed force.

This task was not fully completed, but by May 5, 1947, Sjarifoeddin's work had progressed far enough—partly through diplomacy and partly through a use of force against certain bitterly recalcitrant extremist units—so that President Soekarno was able to issue a decree providing for the unification of the T.R.I. and the *Laskar, Banteng, Pemberontakan* and *Hizboellah* fighting forces under one central command. On June 5, this Presidential decree was implemented by another which installed the central command itself. Supreme Command of the Republican armed forces under the President was vested in Lt. General Soedirman, assisted by his Chief-of-Staff, Major General Oerip Soemohardjo, Vice-Admiral Nasir, Air Vice-Commodore Soeriadarma, and Major Generals Soeleiman and Djojo Soedjono of the *Barisan Banteng* and Soetomo of the *Pemberontakan*. This command itself was placed under the overall direction of Sjarifoeddin as the Minister of Defense, and finally under Soekarno, as the Constitutional Commander-in-Chief of the armed forces.

The strength of these forces and their ability to resist the Dutch military action of July 21 will be appraised later on. Here it may be said that, under Sjarifoeddin's capable direction, the Republican military forces were unified and brought under the control of the Republican Government. At the time Dutch military action began, the direct political influence of the former people's fighting groups had been reduced to a minimum, and the irresponsible plunder campaigns of these extremist groups had been cut down substantially. The centralized command of the armed forces was, for all immediate purposes, dissolved by Dutch penetration into Western and Eastern Java after July 21. From the Indonesian point of view, the necessity for preparing for an effective and ubiquitous guerrilla warfare throughout Java and Sumatra required a restoration of the original local command on which the irregular people's forces were founded. When stable conditions are restored, Sjarifoeddin, or his successor, will again be faced with the problem of reviving a unified military command responsible to his Ministry of Defense.

This, then, toward the end of 1947, was the structure of the Republican Government at its top levels (as shown on p. 61).

## STRUCTURE OF THE REPUBLICAN GOVERNMENT



It will be noted that in the diagram the President's position is put above, but not directly over, the K.N.I.P.; for, while the President appoints the K.N.I.P., in theory and according to the spirit of the Republican Constitution, the K.N.I.P. is itself the representative of the people, hence the ultimate sovereign in the State.



This is the Government which has grown so greatly in strength and scope between 1945 and 1948. Its accomplishments have been extensive and have, moreover, been made under trying and difficult conditions. And yet, the problems still to be faced by this Government will require still greater energy, organization, and perseverance. The Government must, first of all, resist attempts to abridge its authority in Java and Sumatra. It must undertake the imposing tasks of economic reconstruction. It must attract foreign capital and foreign technicians and yet protect Indonesian labor from unfair exploitation by either foreign or domestic capital. It must endeavor to spread education and to raise the pitifully low level of literacy in Java and Sumatra. It must integrate its economic and political programs within the framework of the United States of Indonesia in which it will presumably be the largest and strongest constituent when the U.S.I. comes into existence, on January 1, 1949.

The Republic will have to root out the psychological complexes and social privileges of a partly colonial and partly feudal society. It will have to spread political consciousness among its backward people, and it will have to re-direct the thinking of its intellectuals from *winning* the nation's independence to *utilizing* that independence so as to raise the standard of living of the Indonesian population as a whole. It must overcome the perennial danger of self-seeking among its leaders and factionalism among its parties. It must maintain order and build up a framework of law which it must then enforce. It must streamline the amorphous structure of its administration, revise its vague Constitution, and effectuate the provisions of the revised Constitution which it adopts. The Republic has stood up well and shown a remarkable degree of internal unity since 1945. Yet during this period, the Republic's national purpose has been simplified by the necessity for preserving unity in order to secure its independence. Whether it will be able to bear the more subtly divisive burdens of self-government and party politics in normal times remains to be seen.

This is unquestionably a large order for any government—new or old. The difficulty and magnitude of the many tasks will require foresight, efficiency, and progressive, responsible leadership.

The question has often been raised whether the Republic is likely to become totalitarian in the course of its attempts to solve these difficult problems. It is the considered opinion of the author that the chance of such a development is remote. Nevertheless, the question requires closer examination.

It is certainly true that, as it stands after the first few years of growth, the Republican Government is not a democratic one in the pure sense of the word. Its only popular representative body, the K.N.I.P., is appointed by the President; that is, its representative character does not involve the element of direct choice by the people. Rather, its popular character derives from the diversity and representativeness of the delegates whom the first President, Soekarno, has selected. While, actually, these delegates are both diverse and representative, this does not change the fact that they are not elected by the people.

However, there has been a gain for democracy in that the K.N.I.P. has constantly expanded its role in the Government. It has become the repository of legislative authority. For, although the President may still make law by Presidential decree, the practice has been established whereby these decrees are subject to K.N.I.P. review at the next session of the central body. Furthermore, the K.N.I.P. is the recognized body to which the Prime Minister and his Cabinet are finally responsible. Nevertheless, its source lies not in the whole people, but in the President. A situation of this type may continue for some time, and the representative body in the Republic, while growing stronger and perhaps exercising a decisive influence in the Government, may perhaps continue to be largely an appointive body.

The reason for this prospect is to be found in the backwardness of the Indonesian masses. With a literacy level of less than 10 per cent of its total population of 60 million, the people in the Republican areas are still a long way from the point where they can understand, or are sufficiently interested in, politics to vote with competence. As long as so few can read, that is, until the Republic's educational plans really start to make headway, it is extremely doubtful whether there can be any basis for popular elections in the Republic. Some might add that, as long as there is no large middle class in Indonesian society, there can be no broadly-based direct democracy.

The Republican Government cannot yet be considered a democratic one, in fact, despite its democratic principles. While it is a Government "for" the people, it is certainly not "of" or "by" them. Nevertheless, this is apparently not true of either the revolution which the Republic stands for, or the existence of the Republican Government itself. Even the first official Dutch mission to visit Republican territories, in September 1946, brought back a report of the apparently wide support which the revolution and the Republi-

can Government had among large masses of the Indonesian people. Dr. Koets, the leader of the mission, in fact, spoke of the "national unity" which he had encountered.

Notwithstanding the existence of large groups within the population—wet-rice cultivators (especially in the more remote areas), laborers, and others—which are politically indifferent and inert, it appears that the Republic has a widespread support throughout both Java and Sumatra. But this popular support, while a real and apparent factor which can be verified by talking to almost any Indonesian not under duress, is of a passive type. It is definitely not a participating support. The Indonesian people, in general and insofar as they can be spoken of as a unit, seem to prefer a government run by Indonesians, and in local village councils they have shown their talent for devising effective methods of arriving at group decisions. On a national level, however, they have not reached the stage where they either wish or are able to take part in government. The Republican Government thus appears to be supported but not run by the Indonesian people.

Though it is clear from the above remarks that definite qualifications must be attached to a use of the term "democratic" in referring to the Republic, it nevertheless seems likely that there will be a development along democratic lines, and that totalitarianism will not materialize in the Indonesian political structure, in the form of a dictatorship from either the left or the right. Several of the top Republican leaders have marked personal ambitions—particularly Soekarno and Gani—but in general, it is the author's impression, after sixteen months of continuous contact, that Republican leadership is characterized by a keen sense of responsibility to the Indonesian people.

There are, furthermore, several important reasons why even the personally ambitious leaders could not—even if they should try—establish a totalitarian regime. The first factor which would impede any incipient tendency toward totalitarianism is the existence of the two large and strong opposing party blocs: the leftist *Sajap Kiri* and the conservative *Benteng Republik*. The co-existence of these two blocs tends to obviate the likelihood that either one of them can seize untrammelled power in the Government.

Within the two blocs, there are two parties which conceivably might have dictatorial aspirations: the strongly nationalistic P.N.I. under Dr. Gani's leadership, and the Communist Party (*Partai*

*Komunis Indonesia*) or P.K.I., under Sardjono, Daroesman<sup>14</sup> and Alimin. While the P.K.I. itself will be discussed separately and fully later on, it can be stated here that any attempt by it to seize power would probably fail because of the combined opposition which it would meet from both the Socialist and Labor Parties, and the *Benteng Republik*. That the P.K.I. could form a Communist-dominated coalition with the Socialist and Labor Parties against the *Benteng* bloc is a political improbability because of the key position of the *Masjoemi* Party and the great influence which that party wields among the Moslem population of Java and Sumatra. The *Masjoemi* Party has always been a foe of Communism.

Similarly, the *Masjoemi* Party can be relied upon to resist—with the *Sajap Kiri*—any unilateral attempt by the P.N.I. to establish its supremacy in the Republican Government. Though neither the most progressive, dynamic or ambitious of the major political parties, the *Masjoemi's* position as a conservative and stabilizing influence in the future development of the Republic can hardly be overemphasized. None of the other parties can risk being violently opposed by the *Masjoemi* in a struggle for power because of the *Masjoemi's* hold on the people and because of its position as the interpreter of Islamic law. On the other hand, it is hardly conceivable that the *Masjoemi* itself might attempt to achieve a one-party dictatorship. The temper of its principles, its background, its leadership, and its expansive but loose organization are neither suited nor inclined toward centralization or concentration of power. However, while the leadership of this largest of the parties is conservative and cautious, and definitely inclined toward resisting any attempt at domination—particularly leftist domination—of the Government by any one party, it is not unlikely that if conditions warranted, the *Masjoemi* Party might come forward as sponsor of an Islamic Pan-Asia Movement, stretching from North Africa and the Middle East, through Pakistan in India, Southeast Asia and Indonesia.

Another factor which would tend to offset any inchoate tendency toward totalitarianism is the absence of any strong, politically conscious social élite in Indonesia.<sup>15</sup> In the Philippines, the *Mestizo* group—to which Quezon, Osmena and Roxas belonged—comprised a self-conscious and powerful economic and political elite which could and did take over the dominant governmental positions in the Phil-

<sup>14</sup> A Minister-without-Portfolio in the Sjarifoeddin Cabinet since July 1947.

<sup>15</sup> This point was originally suggested to the author by Professor Raymond Kennedy, of Yale University, a sociologist who has studied Indonesia at some length.

ippine Commonwealth even before the Philippines acquired independent status. In Java and Sumatra, on the other hand, the Dutch carefully avoided the formation of any similar class which eventually might act in opposition to their rule. While there is an old nobility in Java and Sumatra, it has grown somewhat effete in the last few generations. Its descendants are generally of two sorts: the quiet, dignified, completely un-political princes and lesser nobles who still retain their titles and social position as best they can in a rapidly changing social environment; and the dynamic, aggressive aristocrats who have dropped their titles and joined the intellectual group at the helm of the Republic.

There is no economic ruling clique within the Republic because there have been so few Indonesians who have ever produced and accumulated wealth under pre-war colonialism. There is, moreover, no military clique or any other group which, as such, would be likely to dominate the Government as an oligarchy. General Soedirman, the commander of the military forces, was a schoolmaster before the war, and while he and other officers are strong and sometimes hot-headed, they appear to be actually, as well as nominally, controlled by the Minister of Defense.

In short, the only apparent upper stratum is an intellectual one, which provides the leadership of the present Government. This group—the educated, relatively enlightened, small minority—has always formed the core of the nationalist movement since its start forty years ago. It is a group of people whose social and economic origins and ideals are so widely different and even contrasting, that it cannot be considered—academically or practically—as the homogeneous stuff which can form a ruling elite. While the personnel-short Republic will need all their services to function smoothly, they do not and cannot operate with anything approaching the unity and group-consciousness of a true ruling class.

Finally, within the Republican Government itself there is no feeling of sacrosanctness or of infallibility, nor is there any tendency toward apotheosizing either the Government or its leaders. Soekarno is devotedly admired, but he is not deified. When he issued a decree increasing the size of the K.N.I.P. in February 1946, he was sharply and freely criticized in the Indonesian press, and his action was stormily debated by the K.N.I.P. at its convention in Malang the following month. Both Soekarno and the other top leaders—particularly the colorful A. K. Gani—are discussed, appraised and criticized, often jokingly and sarcastically, by other government per-

sonnel, young and old alike. There is a spirit of respect, but not of worship or constraint, on the part of the younger and minor officials in the Republican Ministries toward their chiefs. All of these top leaders—including Soekarno—realize that they cannot govern without the support of individuals and groups which would oppose an attempt on their part to set up a totalitarian regime.

While in its early years the Government has only begun walking the road toward democracy, it seems to be far enough along to make extremely improbable a deviation toward the path leading to dictatorship. The fact remains, however, that the constituents of the Republic of Indonesia are, in a somewhat over-simplified sense, of two as yet only remotely connected types: the young and old intellectuals at the top and the poor, "apolitical," uneducated peasants and manual laborers at the bottom of society. Until this latter mass has been uplifted economically and socially, and until the gap between the two groups has been narrowed and bridged by an aggressive and flourishing middle class, Indonesian democracy will, at best, be shallow and uncertain. The completion of this mammoth task is likely to take several generations even under favorable conditions.

## CHAPTER FIVE

### *ECONOMIC PROBLEMS AND POLICIES*

Before entering a general discussion of the Republic's overall economic policies, it will be well to estimate the specific economic progress which the Government has made since it started to function effectively in 1945, and to examine some of the institutional plans which it has already formulated. It should be mentioned that while economic affairs have become of increasing importance to the Republic, the economic progress already made occurred against a background in which political considerations were always of primary importance.

Most of the economic aspects and institutions to be discussed here are canalized through the Ministries of Economic Affairs, of Finance, or of Social Affairs, and then, finally, into the Central Economic Planning Board, directed in 1947 by Vice-President Mohammed Hatta. It is, thus, one of the top political leaders who wields the greatest influence in the formulation and execution of economic policies.

#### LABOR

As already mentioned, a central Indonesian Labor Organization was formed in Djokjakarta in November 1946, called the *Sentral Organisasi Boeroeh Seloeroe Indonesia* (Central Organization of Indonesia Labor) or S.O.B.S.I. S.O.B.S.I. superseded all previous attempts by the Republic to centralize labor organization and has come to include all labor unions active in Republican territory, i.e., both unions of the vertical C.I.O. type, and those of craft A.F. of L. variety. At the time of the formation of the S.O.B.S.I., the Association of Indonesian Craft Unions (*Gaboengan Sarikat Boeroeh Indonesia*) or G.S.B.I., voted to go out of existence, and the craft unions, which had constituted its membership, all joined the S.O.B.S.I.

Under S.O.B.S.I. each organization covers workers of all types

within a given industry. This vertical plan has already been applied in the railroad industry, the oil industry, and the sugar, coffee, tea and rubber industries. Separate unions covering each of these industries are now in operation within the overall framework of the central organization. While S.O.B.S.I. policy favors the formation of these industrial unions, it also includes independent craft unions—such as those of the weavers, tailors and chauffeurs. In the spring of 1947, the S.O.B.S.I. membership consisted of twenty-eight industrial and craft unions, with a total membership of approximately 1,200,000. The separate unions and their respective branches and memberships were as follows: <sup>1</sup>

	<i>Name of Union</i>	<i>Branches</i>	<i>Members</i>
1.	Health and sanitation	44	5,000
2.	Tailors	10	2,286
3.	Printing	18	3,900
4.	Oil	32	16,000
5.	Pawnshops	80	4,500
6.	Ice	19	750
7.	Radio	24	800
8.	Female workers (Group)	5	600
9.	Weaving	3	4,741
10.	Cigarettes	5	5,200
11.	Opium and salt	30	2,198
12.	Railways	76	10,069
13.	Mines	..	10,000
14.	Sugar	..	30,000
15.	Gas and electricity	29	9,000
16.	Telephone, telegraph, and postal workers	42	7,000
17.	Ship and harbor workers	13	5,700
18.	Automobile drivers	42	12,000
19.	Bag manufacturing	6	2,200
20.	Cattle	8	572
21.	Forestry	..	18,000
22.	Teachers	80	25,000
23.	Public works	..	2,753
24.	Estate workers (rubber, quinine, tea, tobacco, coffee)	..	1,000,000
25.	House construction	..	8,450
26.	Prisons	40	8,000
27.	Public courts	..	1,000
28.	Banking	67	3,500
<b>Total</b>			<b>1,199,219</b>

<sup>1</sup> Figures are from the Republican Ministry of Social Affairs, Djokjakarta, as of March 28, 1947.



The administration of the S.O.B.S.I. is governed by the organization's constitution. This provides for an administrative body headed by a central bureau consisting of a board of directors, a planning board and a working board, all of them elected by the large Presidium Assembly. The Board of Directors is composed of the President, the Secretary-General, the Vice-President, and the heads of the planning and working boards. The Board of Directors directs the policy and functioning of the Central Bureau and, through it, of the administrative structure. The final authority is the Presidium Assembly which consists of representatives of all the member unions. In the summer of 1947, the three top men in the S.O.B.S.I., who actually handled the policy affairs of the organization, were its President, Soerjono, its Vice-President, Setiadjit, and its Secretary-General, Hardjono. Setiadjit was also Deputy Prime Minister in the Cabinet and Chairman of the Labor Party. The other two top officials were without party affiliations or political office.

The platform of the S.O.B.S.I. is based on the following five major points:

1. The freedom of Indonesia requires as a *sine qua non* the recognition of the right of Indonesian labor to organize freely.
2. While foreign investment is to be sought and encouraged in the economic rehabilitation of Indonesia, Indonesian labor must organize strongly in order to defend itself against unfair exploitation by foreign capitalism.
3. Indonesian labor must direct its efforts toward furthering the development of political and economic democracy founded on social justice and having as its aim the welfare of the Indonesian people.
4. To help achieve political and economic democracy based on social justice, and to insure improvement in the workers' standard of living, the nationalization of public utilities is deemed advisable.
5. Indonesian labor must exchange information and endeavor to establish contact with labor movements abroad.

While the S.O.B.S.I. thus has as its major aim the protection of the rights of Indonesian labor and is not, strictly speaking, a political party, it has, nevertheless, a representation of approximately 35 members in the K.N.I.P.<sup>2</sup> In general, S.O.B.S.I.'s representation in the K.N.I.P. has solidly backed the *Sajap Kiri* or Left-wing Group policies, already referred to in Chapter IV. It is likely that organized labor in Indonesia will grow rapidly in the next decade, and that

<sup>2</sup>S.O.B.S.I.'s representation is separate from the Labor Party's representation, and that of the League of Small Farmers, both of which organizations are indirectly concerned with the protection of labor's rights. Cf. Chapter IV, p. 56.

with it will come a vast expansion in the size and influence of the S.O.B.S.I.

### BANKING AND CURRENCY

The Republican Banking System consists of five banks. At their head is the *Bank Negara Indonesia* or Indonesian State Bank. This bank has functioned as a "banker's bank" and as the Republic's bank of issue since the first Republican currency was put into circulation on October 30, 1946. At that time, the State Bank called in all the Japanese occupation money which was still in circulation in Republican areas, and in exchange issued the Indonesian rupiah. The rupiah which was brought into general use in the Republican territories is a coarsely-printed, easily-counterfeited currency which will have to be replaced when better paper and printing facilities become available.<sup>3</sup>

The State Bank is a Government-owned bank, but it works with, rather than under, the Republican Ministry of Finance. Its director in 1947 was Margono Djojohadikoesomo, and its assistant director Sabaroedin. Along with the Minister of Economic Affairs and the Minister of Finance, these two men played important roles in the application of the financial policies decided upon by Hatta's Planning Board.

<sup>3</sup> The State Bank in 1947 issued quotations for the exchange of Republican rupiahs against foreign currencies. The bank-buying rate for U.S. dollars in terms of rupiahs was quoted at R. 2.10 = \$1, while the selling rate was R. 2.30 = \$1. For the British pound, the buying rate quoted was R. 8.10 = £1, and the selling rate R. 8.65 = £1. For the Australian pound the corresponding quotations were R. 6.30 and R. 6.70, while the Straits dollar was quoted at 90 Republican cents for buying transactions and 97 cents for selling transactions.

These exchange quotations were primarily of academic rather than of practical interest since there was practically no exchange between Republican currency and foreign currencies at these rates. Exchange between Republican and foreign currencies, to the limited extent that it actually did take place, was at a black-market rate many times above the quoted figures. The exchange quotations listed here must therefore be regarded simply as an index of the value of the Republican rupiah toward which the Republic was striving, and which it hoped it would eventually be able to maintain on a purchasing power parity or balance of payments basis, when trade and exports were functioning again.

The Indonesian State Bank is apparently aware that the various nominal foreign exchange rates quoted for the Republican currency do not give the correct cross rates, as may be seen from the fact that during most of that year the American dollar was quoted at 2.10 rupiahs and the British pound at 8.10 rupiahs, instead of 8.40 rupiahs, which would be expected according to the parity level of £1 = \$4. The State Bank explained this as an indication of the relative special premium which the Republic was at the time placing on the American currency.

In connection with the counterfeiting of Republican rupiahs, an interesting case occurred in Batavia. A Chinese was arrested by the Dutch police for counterfeiting the easily-duplicated Republican money for use in Batavia's black markets. His defense was that since, according to Dutch law, the rupiah was not legal currency, he could not legally be charged with issuing its counterfeit. He was held anyhow.

Under this central bank are four depositors' or commercial banks, two of which are controlled directly by the Government, and the other two of which are privately owned. One of the Government banks, the *Bank Rajat* or People's Bank, specializes in small agricultural and fishery loans but extends some loans to individuals as well. During the first quarter of 1947, the *Bank Rajat* lent a total of approximately 33 million rupiahs for agricultural and fishery loans.

The two privately owned Indonesian banks are commercial banks specializing in larger agricultural loans and in loans for purposes of internal trade and production. These two banks are the *Bank Nasional Indonesia*, or National Bank, and the Bank of Soerakarta. Both of them are somewhat smaller in their operations than are the other three Indonesian banks.

Finally, there is the *Perseroan Bank dan Perniagaan* or Banking and Trading Corporation, established on January 1, 1947, which in all probability will play a major role in building up Indonesian commerce.

The B.T.C. was formed by the Republican Government for three purposes: (1) to expedite and direct exports from and imports to Indonesian areas;<sup>4</sup> (2) to furnish loans for private traders; and (3) to make the most efficient use of the foreign exchange that is obtained from exports in order to finance the most essential imports. The Corporation is to have an authorized capital of 20 million rupiahs, 60 per cent of which will be furnished by the Government, and 40 per cent of which will be obtained by selling shares to the public. Public sale of shares had not yet taken place at the end of the year, and since its formation the B.T.C. has functioned solely on Government capital.

The B.T.C. was in 1947 under the direction of an Indonesian economist, Dr. Soemitro Djojohadikoesomo, and its Vice-Director was a Chinese lawyer, Dr. Ong Eng Djie.<sup>5</sup> It is intended that the B.T.C. will eventually function throughout the Republican areas although, to begin with, its activities were confined to Java.

It is also intended that the B.T.C. will temporarily handle the export of those goods to which the Republic itself has title, and will act on behalf of the Government to finance the import program

<sup>4</sup> The B.T.C. was formed at a time when all Republican ports were blockaded by the Dutch Navy to prevent the possible export of European-owned estate produce by the Republic. The B.T.C.'s operations have been hampered by this blockade ever since its inception, so that it is difficult to judge accurately the magnitude of the role which it will play in commercial rehabilitation. That the B.T.C.'s role will be considerable, however, is likely.

<sup>5</sup> Dr. Ong also was Vice-Minister of Finance in the Sjarifoeddin Cabinet.

which the Ministry of Economic Affairs is drawing up. In both of these respects the B.T.C. will function through the Ministry of Economic Affairs. However, it has been stated that the B.T.C. will not be operated as a trading monopoly. Instead, its facilities are to be used to encourage private export and import especially through the extension of loans to private traders. It is worth mentioning that the B.T.C.'s task of building up private Indonesian business is a sizable one. To the writer's knowledge, there are no more than a dozen large Indonesian business firms with sufficient capital and experience to operate on their own.<sup>6</sup>

### PUBLIC WORKS

In April 1947, the Ministry of Public Works began an extensive program of repairing damaged bridges, improving and extending irrigation works, rehabilitating roads and harbors, and constructing new homes in the Republican areas of Java.

In an official release, the Ministry announced that new roads would be constructed in the southern part of Java, particularly to facilitate interior communication with the ports of Tjilatjap, Genteng, Plabuan Ratu and Tjilaut Bureun. Several of the Republic's few technical experts were sent to Sumatra to improve irrigation works and roads there and to make preparations for the migration of rural population from Java. The migration scheme will be discussed below.

Dr. Laoh, the Minister of Public Works, also announced that housing facilities in Republican cities would be expanded and water-supply and power systems more extensively developed in this connection.

Once it is able to secure equipment and foreign capital, the Republic hopes to increase and intensify its program of public works. It had already made the first beginnings toward implementation of this ambitious program when the military action of July 21 broke out. The resulting damages have handicapped the public works program of the Republic, and have increased the magnitude of the tasks of the Public Works Ministry.

<sup>6</sup> The largest of these firms is the Dasaad Musin Concern, a holding company controlling an export and import company and a textile mill. Before the war, it did a business of about £10,000,000 or about \$5,000,000 at pre-war rates of exchange. Mr. Dasaad, the head of the firm, in 1947 completed a trip around the world to open branch offices and make business contacts in America, Holland, Great Britain, France, Switzerland and Belgium. It was thought likely that his business would expand greatly in the next decade. In other cases, however, the B.T.C. was expected to meet more difficulties in attempting to build up a sound and profitable network of private Indonesian commercial firms.

## MIGRATION OF FARMERS AND LABORERS FROM JAVA TO SUMATRA

The Government in the summer of 1947 announced a plan for the movement of about 10,000 Javanese families, totaling about 50,000 people, from over-populated areas in Java to under-populated areas in Sumatra. The plan is still only in the blueprint stage and will have to await a political settlement before it can be implemented. Its very scale, while it has given rise to criticism, is an indication of the forward-looking planning the Republican Ministries have embarked upon.

It is the Government's intention to gather the prospective migrants in the capitals of the various Residencies in Java, and to send them to their destinations in Sumatra by way of East or West Java ports. Each family will be allowed to take along all its possessions at the expense of the Government, which will also endeavor to provide the necessary equipment for the farmers to cultivate the land on which they settle. Dr. Isa, the Republican Governor of South Sumatra, has stated that 5,000 families can be received in the Lampong and Benkoelen districts of South Sumatra, and that measures to ensure the equitable allotment of land to each family are already under consideration. To help each family get started, the Government will give it an initial credit of 500 rupiahs.

Many Indonesians believe that success of this migration plan will be vital for the economic development and well-being of the Republic. If a large labor force is available in Sumatra, the development of that island's vast economic potential may be accelerated. Large-scale inter-island migration can also do much to relieve the pressure on Java's densely populated land, and to improve the living standards of its fifty million inhabitants. To aid the plan's success the Republican Ministry of Social Affairs—which is in charge of the plan—has studied the results of the numerous migration schemes which were unsuccessfully attempted under colonial auspices, between 1920 and 1940.

According to Abdoel Madjid, former Vice-Minister of Social Affairs, and later Vice-Minister of Home Affairs, there were several reasons why these pre-war plans were never successful. First, they were always tried on too small a scale: not more than half a million Javanese were moved to Sumatra during the entire twenty-year period in which the plans were in operation. As a result, the migrants were too few in number to organize effectively into prosperous communities and hence began to feel nostalgic and discontented. Sec-

only, Mr. Madjid believes that the Dutch pre-war schemes for migration from Java usually involved migration of only parts of several Javanese *kampongs* or villages, instead of keeping village populations intact. This had the result of separating the new migrants from their elders and from the *adat* or customary law which was bound up with the organization of the *kampung* as a whole. Third, the Dutch plans lacked an incentive because they never provided adequate guarantees that accustomed social conditions would be maintained and the level of economic conditions be considerably improved through the migration.

The Social Affairs Ministry has tried to take cognizance of these weaknesses and to make allowances for them by specific provisions in its own plans. First of all, it is the ambitious intention of the Ministry to handle large numbers of people as the plan evolves in order to drain off most of the estimated yearly increase of 600,000 persons in the excess population of Java. Furthermore, the Indonesian plan will not separate segments of compact Javanese village communities but will try to transplant the whole *kampung*, including the headman, the priest, the *goeroe* or teacher, and the members of the *kampung* council. Finally, incentives will be offered to prospective migrants in the form of monetary guarantees that living conditions will be improved, and verbal assurance that the migrants will be fully protected and aided by the Government in the exercise of their own *adat* and the setting up of their own communities.

If the plan seems over-ambitious, it is recognized that its development will take time and considerable initial expense. Officials of the Ministry of Social Affairs hope that the Republic will be able to secure aid from abroad in financing the scheme over a period of years. Optimism as to the possibilities of the plan's success is running high, notwithstanding the unsuccessful attempts which the Dutch administration made along these lines before the war.

#### GOVERNMENT INDUSTRIAL ADMINISTRATIVE BOARDS

Since the latter part of 1946, four Government administrative boards have been functioning in a managerial capacity in industry. They were set up to direct rehabilitation and production in the textile industry, the sugar-refining industry, agricultural estate industries, and miscellaneous industries. They were appointed by President Soekarno and in 1947 worked under the central direction of Vice-President Hatta's Economic Planning Board. Their activities were also under surveillance by an investigation commission of the

K.N.I.P., under the chairmanship of Tan Ling Djie, Secretary of the Socialist Party and a member of the K.N.I.P. Working Committee.

While little specific information concerning their activities was available to the public, the following facts were ascertainable. The four boards are composed of technicians and members of the different political parties and handle the overall direction of each particular industry in its managerial aspects—e.g., labor relations, material procurement, and so forth. The boards thus far established were: (1) Textile Board (*Badan Textil Negara*); (2) Sugar-Factory Control Board (*Badan Penjelenggara Goela Negara*); (3) Estate-Industries Board (*Badan Perkeboenan Negara*); (4) General Industries Board (*Badan Indoestri Negara*). According to reports brought back to Batavia by the Koets Mission and later by the International Emergency Food Council sugar mission, as well as by numerous unofficial observers, the boards have made considerable progress in their work. Under their guidance, most of the industrial plants which could function temporarily without new equipment from abroad were in action. The sugar mission of the I.E.F.C., in fact, appeared to be impressed by the industrial activity it found in the interior of Java. However, it is likely that the military action and scorched-earth which began on July 21, 1947, will have affected industrial recovery adversely.

#### RICE SHIPMENTS TO INDIA

In July 1946, the Republican Government concluded an agreement with the Interim Government of India whereby the Republic agreed to provide approximately 400,000 tons of rice in exchange for textiles, agricultural implements, tires, and other "incentive" <sup>7</sup> goods which India would send to the Republic for use in economic rehabilitation in Indonesian territories. The agreement was concluded secretly between the two parties and was later presented to the Dutch Government and British-occupation commander as a *fait accompli*. Despite initial objections on the Dutch side—on the grounds that the rice was needed in Indonesia and that the agreement was a violation of the legal Dutch sovereignty throughout

<sup>7</sup> Money wages have often proved ineffective as an inducement to peasants to leave their fields, if there were not available for purchase on local markets the kind of consumer goods which the peasants had learned to value, or if such goods were too expensive for their limited purchasing power. Especially small imported household goods, textiles, and other articles known to be attractive to potential wage earners therefore have come to be known as "incentive goods" in business and official circles.

Indonesia since it had been negotiated with an "illegal" political entity, namely the Republic—the agreement was finally approved with certain qualifications by both the Dutch and the British.

With India supplying the ships, obtained from the British Ministry of War Transport, and trucks for moving the rice from the interior of Java to East Java ports, the agreement began to be implemented at the beginning of September 1946. Although the hopes of the original agreement were never fulfilled because of transportation and administrative difficulties which were later encountered, the Republic did manage to deliver approximately 60,000 tons within the next ten months. The rice exports helped little to ease India's critical food shortage but did help to cement India's friendship with the Republic: the effort on the Indonesian side later paid dividends when, after the Dutch military action of July 21, India introduced the subject of Indonesia to the Security Council's agenda at Lake Success. The rice agreement therefore was more significant as a political than as an economic measure.

#### LONG-RUN ECONOMIC POLICIES

In general, it can be said that the Republic of Indonesia stands for a long-run economic program of extensive socialization. Although the uncertainty and fluidity of current political conditions in Indonesia make it impossible to evaluate the Republic's economic policies with any degree of finality, it is nevertheless possible to make certain reasonably accurate generalizations concerning these policies and the direction in which they point. It is always possible, however, that military or other developments in Indonesia may alter either the substance of the Republic's economic policies, or the leadership behind these policies when the situation again becomes stabilized.

Moreover, precisely where these policies will fit into, and in what respects they will have to be modified in connection with, the projected United States of Indonesia and the Netherlands-Indonesian Union cannot yet be definitely established. It appears likely, however, that in the long run these policies may govern the economic reorganization of the Republican areas of Java and Sumatra and may exert a considerable influence on the reorganization of the economy of the Indies as a whole.

The formulation of the Republic's economic policy has been concentrated in the hands of the Vice-President, Mohammed Hatta, while its chief spokesman was the colorful Dr. A. K. Gani, Deputy Prime Minister and Minister of Economic Affairs in the Sjarifoeddin



Cabinet, who represented the Republic at the United Nations Conference on World Trade and Employment at Havana in November 1947. Hatta prefers to remain out of the limelight and hence has received far less publicity than his power and influence in the Government would normally warrant. As chairman of the Central Economic Planning Board, he was largely responsible for charting and planning the broader aspects of the Republic's economic policy. The policy directives of the Planning Board were then correlated and enunciated by Gani, as in the case of his "Ten-Year-Plan" which will be discussed later on in this chapter. A former medical doctor and actor, Gani is a thoroughly likable extrovert, but not an economist. The superior technical background and education of Hatta made it only appropriate that the top-level planning and final decision should rest with him. Except for possible political changes that cannot be foreseen, it is probable that he will have a large voice in determining the extent to which the economic policies, as they crystallized in the early years, may veer to the left or the right in the years to come.

#### SOCIALIZATION AND PRIVATE ENTERPRISE

As has been intimated, the Republic advocates the immediate nationalization of public utilities and public works, including gas, water and electric works, railroads, civil aviation (as it develops), telephone and telegraph communications, of banking, and of rice mills. The Government recognizes, however, that it will not immediately be in a technical or financial position to nationalize the economy as a whole; and for this reason, it intends that most of the technical and detailed tasks, aside from those connected with utilities, banking and rice mills, shall be dealt with by private enterprise operating under some measure of Government control. In this connection, the distinction made between socialization and social control in a statement by the former Vice-Minister of Economic Affairs, Saksono, is worth noting:

"In conformity with the policy of controlled economy, some vital industries will be taken over by the Government. However, this should only apply to really vital industries, while other industries belonging to private individuals . . . will be allowed to carry on, and if such were formerly in the Government's hands, they will be returned to the rightful owners. Where necessary, the industries which are thus returned may be supervised by the Government. . . ."<sup>3</sup>

<sup>3</sup> Published in *Ma'moer (Wealth)*, Batavia, Nov. 15, 1946.

It is to be anticipated that estate agriculture and private export trade will be allowed to function, but it is the Government's apparent policy not only to exercise some control over working conditions and wages attendant on such private enterprise, but also to exercise close control over the foreign exchange proceeds obtained from all exports in order to make certain that this exchange is utilized to finance those imports which are most needed by the exchange-short economy as a whole. Tentatively, in other words, a new sort of dual economy<sup>9</sup> is envisioned, with certain fields remaining within the purview of private enterprise—including most estate cultivation, such as rubber, coffee, tea, and perhaps sugar, substantial foreign commerce, and petroleum exploitation—and others being nationalized and operated by the Government. While the co-existence and "mixed company of state and private (both foreign and domestic) capital"<sup>10</sup> is advocated, private capital will be subject to the social and economic legislation of the Government in such matters as minimum wages, land rents, working conditions, and labor relations generally.

Foreign-exchange control is likely to continue for some time to come, or at least until the shortage of dollar exchange on the one hand, and the vast import requirements for economic rehabilitation,<sup>11</sup> on the other, can be alleviated by exports or financial aid from abroad. The Ministry of Economic Affairs has stated, in this connection, that:

"... the Government should exercise authority over the proceeds derived from exports in order that the foreign exchange be used for the purchase of the most necessary imports. The particulars involved in the regular operation of the exportation of goods can be turned over to private enterprises or non-official agencies, but their sales transactions should be officially supervised and approved by the Government. . . ."<sup>12</sup>

### MONOPOLY

In general, the Republic is opposed to monopolies and to monopolistic practices. It is known to be unfavorably disposed toward con-

<sup>9</sup> In the past it was customary to speak of the almost separate functioning of modern—and largely non-Indonesian—enterprise and "native" enterprise as making up Indonesia's "dual economy."

<sup>10</sup> Quoted from Dr. Gani's statement to the press on economic policy, Batavia, April 8, 1947.

<sup>11</sup> Estimated at perhaps one billion dollars.

<sup>12</sup> From an article entitled "Commercial Policies," appearing in *Berita Perekonomian*, June 15, 1946, published in the Indonesian language by the Republican Ministry of Economic Affairs, Batavia.

tinuation of the special privileges enjoyed before the war by the Royal Dutch Navigation Company (K.P.M.), the Phillips Radio Company, and the Netherlands Gas Company, among others, either in the form of government subsidy or in that of special patent or license arrangements. While it has been emphasized that the Government should "always strive to bring about a close cooperation with private enterprise,"<sup>13</sup> it has also been stated that:

"The limit of authority on both sides should be distinctly drawn up, thus facilitating the desired coordination between Government and private enterprise. . . . Furthermore, the Government should always see to it that this coordination is not limited to a few big enterprises as occurred during the former restriction policy of the Netherlands Indies Government, since this would only mean the re-establishment of monopolistic rights for big business. In the economic rehabilitation of Indonesia, we should . . . attempt to make certain that the germs of monopoly are forever stamped out."<sup>14</sup>

- \* In his Ten Year Economic Plan, Dr. Gani strongly reiterated the anti-monopoly position of the Republic. It is, however, not unlikely that the Republic may be sympathetic toward proposals that it grant certain aid and preferences to Indonesian industries, as part of its long-run program of developing local industry complementary to that of agriculture.

#### FOREIGN INVESTMENT

Republican leadership recognizes the need for foreign capital and foreign investment in the economic reconstruction of Indonesia. There seems to be a realistic recognition that aid and investment from abroad will considerably increase the pace at which reconstruction can proceed and at which the general standard of living can be raised. Despite the planned economy aimed at by the Republican Government and its desire to nationalize the basic utilities, it appears to be convinced that its economy can only be industrialized and revitalized by drawing on technical know-how and equipment from abroad, through foreign investment.<sup>15</sup>

Foreign properties and capital remaining from before the war will be returned to their rightful owners according to Article 14 of the Linggadjati Agreement, except in cases where the public welfare may require continued Government operation. In all such cases,

<sup>13</sup> From *Berita Perekonomian*, June 1, 1946.

<sup>14</sup> *Ibid.*

<sup>15</sup> See the Political Manifesto of the Republic, Appendix, p. 174.

Government operation and ownership will occur after compensation to the principals concerned, according to Dr. Gani. Furthermore, the Republic evidently intends to take up the contractual obligations incurred by the Netherlands Indies Government with foreign capital before the war. In this connection Dr. Gani has stated:

"The Republican Government is not going to annul contracts with invested foreign capital and make new ones, but the companies concerned will have to recognize the Republican Government as their partner instead of the Netherlands Indies Government."<sup>16</sup>

While the Republic thus seems to recognize the need for foreign investment and technical know-how, there remains among its leaders a fear of economic domination from abroad. In January 1947, at the Youth Congress in Soerakarta, Dr. Hatta voiced this fear when he stated:

"In reconstructing our economy, we must deal with realities. We are at present poor and possess only our man power, which has been seriously decimated by the Japanese. . . . Despite our poverty, we are rich because our soil is fruitful and can produce wide varieties of products. . . . In rebuilding our economy we will have need of foreign capital . . . but we must utilize this capital as an efficient and constructive tool, or else we shall find ourselves once again economically dominated."

It therefore appears likely that the Republic, while welcoming foreign investment, will nevertheless attach certain conditions to its use in Indonesia. For example, according to Dr. Hatta, the Republic will not allow foreign investments to establish commercial monopolies. Furthermore, the Government will probably assert its right to decide the minimum percentage of Indonesian employees which a foreign enterprise must employ, as well as to make laws concerning wages, hours, and working conditions that must prevail in foreign-controlled enterprises in Indonesia.

It is generally recognized that such Government intervention in foreign enterprises must be moderate in order not to alienate them, but it is felt that even with a modicum of Government control, as outlined above, Indonesia will still offer a prospect of sufficiently high return on investment so that foreign capital will be attracted once conditions of stability have been re-established.

In its attitude toward investment by particular nationals, there is some evidence that the Republic is becoming acutely conscious

<sup>16</sup> Statement to the press on economic policy, Batavia, April 8, 1947.

that its geographical position links it economically to those nations on the shores of the Pacific, including those of North and South America, and on the continents of Asia and Australia. Dr. Gani has indicated his feeling that, while some foreign investment in Indonesia will certainly come from Europe, in the future investment will be particularly welcome from the United States and Australia, since Indonesia must increasingly tend to shape its economy in terms of the trade requirements of these and other Pacific nations.

#### OTHER ECONOMIC PLANS

Republican economic leadership envisions a program of increasing industrialization, but of a sort complementary to the agrarian basis of Indonesian economic life, rather than as a substitute for it. There seems to be general recognition of the fact that Indonesia must remain essentially agrarian for some time to come. However, it is anticipated that industrialization—in increasing the level of agricultural and non-agricultural output—can expedite rehabilitation and help to raise the standard of living. Industrialization will also be necessary to diversify the economy's structure, and to shift labor from the land to light industry. In this way, it may be possible to increase the elasticity of supply of Indonesia's agricultural produce in periods of changing prices, and thus to prevent a repetition of the 1929-32 world market glutting.

Furthermore, while a seller's market still exists for most of the produce of Indonesia, agricultural exports can be the means of acquiring the foreign exchange necessary for further industrialization. Before any headway can be made in this direction, the current political situation must be cleared up and the economic blockade of Republican areas be lifted.

In general, it appears likely that, in the process of industrialization, Java will be developed as the rice supplier for the rest of the Republic in order to make the whole of Indonesia self-sufficient with respect to minimum food requirements, while Sumatra will be exploited to furnish the export produce for sale on world markets to provide the foreign exchange needed to finance imports. This, of course, is a long-run policy only. For a long time to come Java will probably continue to contribute largely to exports when a solution of the as-yet-unsolved political problem again makes feasible extensive trade with the outside world.

As part of its program of gradual industrialization, the Republic is known to favor the formation of strong labor organizations. In

fact, it appears to regard the strength of these organizations as a guarantee that foreign enterprises, though active in certain areas of the economy, will not be in a position to exploit the workers. As Dr. Hatta has stated:

"We should realize that a powerful labor organization will be necessary in order to resist the attempt of foreign capital to dominate. . . . If we have such an organization then we have nothing to fear [from the return of foreign properties and capital to their rightful owners]. . . ." <sup>17</sup>

The beginnings of this "strong labor organization" are firmly founded in the Central Organization of Indonesian Labor or S.O.B.S.I. (*Sentral Organisasi Boeroeh Seloeroeh Indonesia*), which has already been discussed.

A strong labor organization, it is thought, will induce foreign enterprises to pay adequate wages and maintain suitable working conditions, without requiring the Government to step in. In other words, paradoxically, Republican leadership seems to think that the existence of a strong labor organization may thus make possible less, rather than more, Government control in that sector of the economy.

#### THE TEN-YEAR PLAN

As a first step towards the clarification of its economic policies, the Republic has formulated a tentative "Ten-Year Plan." This was announced by Dr. Gani to the press in broad outline on April 8, 1947, but its execution will have to await a change in the political situation. The plan includes the following major points:

1. Establishment of minimum wage rates and improvement in the health and hygienic conditions of labor;
2. Elimination of illiteracy and expansion of educational facilities;
3. Establishment of strong cooperative organizations for peasants and laborers, supplemented by legislation to protect the rights of wage-earners and farmers;
4. Industrialization in such a way that "a link will be maintained with agriculture";
5. Establishment of "a horizontal form of village industry supported by . . . small state credit";
6. Building up Indonesian export trade by initial grants of state credit;
7. Expansion of state-owned public works and public utilities;
8. Encouragement and development of inter-island shipping, to prevent the growth of shipping monopolies;

<sup>17</sup> Quoted from Hatta's speech at Soerakarta, January 1947.

9. Appointment of foreign experts and technicians as Government advisers in education, finance, economics, agriculture, transportation, industry and military affairs, but granting "no monopoly in this respect . . . to any particular country";
10. A new program of transmigration from overpopulated regions (in Java) to thinly populated regions (in Sumatra);
11. Expansion of Indonesia's international trade, in such a way as to prevent the development of commercial monopolies;
12. Encouragement of the "mixed company of state and private (foreign and domestic) capital in the economy";
13. Soliciting a foreign loan and floating an internal national loan, to finance economic rehabilitation.

The Ten-Year Plan is, it will be seen, broad. Its economic policies envision far-reaching and ambitious changes. They place weighty responsibilities on the young shoulders of the new Government, responsibilities which may be borne with some prospects of success but only if the elaborate blueprint is supplemented by efficient and high-minded administration.

#### COMMUNISM

The economic policies and plans enumerated above are based on the relatively moderate and sober currents in Republican economic thinking. In this connection, it is worthwhile examining briefly those forces which might—given the catalysis of continuing strife and instability in Indonesia—divert the Republic's policies more and more to the left. In the author's opinion these forces exist but are still only in an inchoate stage. There is nothing in Indonesia that can yet be called a Communist "menace," but this does not mean that one may not arise.

In the first place, it is worth noting that neither the S.O.B.S.I. nor the Labor Party are controlled by Communists, although both labor groups advocate socialistic economic policies. Politically, both groups have backed the Republican Government and have been part of the *Sajap Kiri*, the Left-wing group which has favored moderation and compromise in negotiating with the Dutch, and has opposed the more militant stand of the Nationalist and *Masjoemi* Parties.

The S.O.B.S.I. Congress held in Malang from May 16 to 18, 1947, was given considerable publicity by the Dutch press in Batavia and in Holland as an indication of the strong Communist influence which, it was asserted, pervades the Indonesian labor movement. It appears that the publicity was designed as much to discredit the labor movement and indirectly the Republic (particularly in the

eyes of the United States), as it was to make known the truth about Communism in Indonesia.

Of course, there were Communistic rumblings at Malang. The featured speakers at the Congress were a group of Australian and Dutch labor leaders, including the Messrs. Campbell and Roach, who are active in Australia's leftist dockworkers' union and may well have access to Communist Party funds, as well as the Messrs. Blokzijl and Vijlbrief, who are known to have connections with the party in Holland. The speeches made by this group of fellow-travelers were loosely-reasoned samples of blatant incitement, but the reception which they received was cool and unenthusiastic. As one high Indonesian official said afterwards, when queried: "There was nothing at Malang which was Communistic except certain slightly foolish statements by foreign Communists." While the S.O.B.S.I. Congress at Malang may be significant as a harbinger of future Communistic influence (given a prolongation of strife in Indonesia), it can be stated that the labor movement in Indonesia is neither in the grip nor under the influence of Communism as yet.

In appraising the strength of Communism in the Republic, it is also worth noting that of the strongest men in the present government none is a member or partisan of any Communist Party, Indonesian or foreign.<sup>18</sup> On the contrary, the President, Soekarno, and the Vice-President, Hatta, have, for substantial portions of their political careers, been associated with the rightist Nationalist Party, of which Dr. Gani, Deputy Prime Minister and Minister of Economic Affairs, was chairman in 1947. Of the other leaders in the 1947 Government, Sjarifoeddin, the Prime Minister, and Sjahrir are members of the Socialist Party, and Setiadjit, a co-Deputy Prime Minister, belongs to the Labor Party. While Sjahrir, Sjarifoeddin, and Setiadjit all favor strongly socialistic economic policies, none of them is connected with or leans toward Russian Communism.<sup>19</sup>

There are, however, other points of which cognizance must be taken in appraising the strength and influence of Communism in Indonesia today. For one thing, three Communist members of youth organizations in Russia, Yugoslavia, and France went into the interior of Java in May 1947, in response to an invitation which they

<sup>18</sup> In the Sjarifoeddin Cabinet, of 1947, one out of thirty-three seats was held by a Communist: Daroesman, a minister without portfolio.

<sup>19</sup> Sjarifoeddin was jailed for one month in 1940, because of his alleged connection with the Indonesian Communist Party. Actually, his imprisonment was because of his chairmanship of the *Gerindo*, an implacably nationalistic party which advocated radical opposition to Dutch rule.



had solicited and received at the New Delhi Inter-Asian Conference on March 23, 1947. The purpose of their visit presumably was to make contact with Indonesian youth groups on behalf of the World Federation of Youth Organizations, and to extend invitations to the Indonesian groups to send delegates to the W.F.Y.O. congress in Prague later in the year. There is little doubt, however, that the actual scope of their visit was broader than this single mission.

There have also been rumors that a trading organization might be set up by the Republic and the Australian Communist Party to monopolize trade between Australia and Indonesia. The rumor appears to be highly unlikely. In reply to queries relating to it, both Hatta and Gani have firmly reiterated the anti-monopoly position of Republican economic policy, and have strongly denied any intention of embarking on such a project.

At any rate, the combination of rumors and part-truths requires a sober study of the position of Communism and the possible danger of its spread in Indonesia. It can definitely be stated that such contact with Communism as there is in Indonesia has been established through the Dutch and Australian Parties; no active, direct and continuous contact with Russia has evidently been established as yet. Of the two regular Russian-trained Indonesian nationalists, one (Tanmalakka) has been in prison in Djokjakarta for his part in the abortive *coup d'état* of June 1946, and the other (Alimin Prawirodirdjo) when last heard of was head of the *Politburo* of the Indonesian Communist Party. Educated at Moscow's Far Eastern University, Alimin is an important figure in the Communist Party and a man to be reckoned with, but his influence in the Republic is considerably less than that of the top men in the government already mentioned.

That there is an inchoate Communist influence is undeniable, but that it has reached the proportions which certain right-wing and military circles have contended is unlikely. The Indonesian Communist Party (*Partai Komunis Indonesia*) when observed in 1947 was still relatively moderate in outlook. It had been allied with the *Sajap Kiri* in support of a policy of compromise and moderation in negotiations with the Dutch. The P.K.I. has advocated a policy of reconstruction along the lines set by the Linggadjati Agreement of March 25, 1947, and has not advocated violence or extremism in the course of the negotiations in 1946 and 1947.

It thus appears clear that the danger—and this can hardly be over-emphasized—is not that a Communist menace, or anything resem-

bling it, now exists in Indonesia, but that without an end to the political strife and economic isolation, and without a continued expression of America's interest in and sympathy towards the new Republic,<sup>20</sup> the Republican Government might be forced to seek its friends and its support wherever it can find them, not only in India and the Arab League and the countries in close proximity to Indonesia, but eventually perhaps in Russia as well. The situation is not unique; we are becoming well-versed in dealing with matters of this type within the framework of the current world-political dilemma.

The Republic's economic program is an ambitious one, and its implementation constitutes one of the major tasks for the new Government. It may be that with the extreme shortage of technicians and trained administrators at the helm, the program is too ambitious. Nevertheless, the contribution which the United States can exert, in terms of material aid and economic advice, to the successful working out of the Republic's economic plans, can be vital.<sup>21</sup> But while aid and technical advice from the United States can certainly be of great service to the Republic, it is obvious that Indonesia's problems will not be solved through the expediency of foreign aid alone. Fundamentally, the problem of establishing a sound economic and political structure in Indonesia must be solved by the Indonesians themselves. Foreign aid can help, but it cannot provide the answers.

<sup>20</sup> Along the lines set by the important American note of June 27, 1947. See Appendix, p. 180.

<sup>21</sup> The State Department's appointment of a professional economist as the new Consul General in Batavia is a promising development in this connection. A former Department of Commerce official, the new Consul General, Charles A. Livengood, went to Batavia from his post of Counselor of Embassy for Economic Affairs in Rome. It is, thus, likely that he is well qualified to help give the Republic the advice, as well as to analyze the aid, which it will need from outside.

## CHAPTER SIX

### *REPUBLICAN LEADERSHIP*

In the anatomy of successful revolution, leadership is always a vital factor. In the case of a revolution which, like the Indonesian revolution, derives its support from a politically immature and an intellectually backward people, leadership is of particular importance. All of the top Indonesian leaders have long been both familiar with and familiar to the Dutch, because of their extensive pre-war political activity. They are all men who have had long associations with the Indonesian nationalist movement, and all of them were at one time subject to close scrutiny, and in most cases imprisonment, by the pre-war colonial government. They are men to whom Indonesian nationalism and self-determination have been basic motives of life, although these motives have expressed themselves in different ways.

In a general sense, top-level Indonesian leadership has rested largely with four men: the Republic's President, Soekarno;<sup>1</sup> its Vice-President, Mohammed Hatta; its former Prime Minister, Soetan Sjahrir; and its Minister of Defense and second Prime Minister, Amir Sjarifoeddin. It would be inadmissible to speak of the Republic in terms of four men alone, and it will be worthwhile, later in the chapter, to discuss other figures who have played, and will play, leading roles in the Republic's development, such as Dr. A. K. Gani, Setiadjit, and Hadji Agoes Salim. Notwithstanding these considerations, it would be hard to overestimate the role which these four men have played in building on the shifting sands washed up by the Japanese capitulation, and establishing a functioning if inexperienced government, where before there had been little more than high hopes.

The Republic developed from a shaky start when it included armed bands of terrorists and plunderers over which the Republi-

<sup>1</sup> Soekarno was one of the first of those active in the nationalist movement to drop the title "Raden," a mark of nobility.

can Army (T.R.I.) enforced a marked degree of control by June 1947. The Republic's survival has no doubt been aided by such fortuitous factors as the arrival of British troops in only small numbers six weeks after the Japanese surrender, the turnover of substantial quantities of armaments by the Japanese to the Republican Army before the arrival of British troops, and the temporary impotence of the Dutch at the time of the Japanese capitulation. Nevertheless, it is almost certain that these factors would not have been sufficient of themselves to ensure the survival of the nationalist revolution in the face of the pressures of the first three years, if the Republic had not also had the advantage of capable and forceful leadership.

All of the four men named had been active in pre-war nationalist circles, all had spent considerable portions of their political careers in prison or exile for their political activities, and three of them had received part of their education in Holland. Aside from these conditioning circumstances which they share, and the fact that they are all relatively young (Soekarno, the eldest of the group, was 46 years old on June 6, 1947), they are dissimilar as individuals. They are distinct and even somewhat antagonistic personalities, united by their attachment to the nationalist movement.

#### PRESIDENT SOEKARNO

Soekarno, the man in whom the Indonesian Constitution placed almost unlimited authority in the initial emergency, is physically the most prepossessing of the four. Tall by Indonesian standards and handsome, with clear features and sharp eyes, Soekarno is the showman, the orator of the Republic. Even sober-minded American journalists who do not understand a word of his speeches agree that he has a remarkable ability for carrying an audience with him, for making it laugh, cry, and pray. History is Soekarno's major interest aside from politics; he is something of an authority on the American Revolution, on George Washington and Thomas Paine—whom he reputedly quotes at length in the course of private conversation.

Born in 1901 in Java's second city, Soerabaja, Soekarno completed his studies at the Technical School in Bandoeng where he received the degree of Ir., or engineer, in architecture. However, he had neither the temperament nor the inclination for a career of architectural engineering and instead was drawn toward politics, a career better suited to his histrionic nature. In 1927, he organized the *Partai Nasional Indonesia*, the forerunner of the present Nationalist Party or P.N.I. Soekarno built up the P.N.I. on a platform of uncom-

promising nationalism and Indonesian independence. Under his leadership it became one of the strongest Indonesian nationalist organizations.

Except for two years, 1932 and 1933, when he was chairman of the *Partindo*, or Indonesian Party, and wrote numerous nationalist pamphlets, Soekarno spent almost all his time from 1930 to 1942 in prison or exile on the island of Flores, or in Padang or Benkoelen, Sumatra. Freed by the Japanese in 1942, he became the leader of the Indonesian Constitutional Law Commission and of the Japanese-sponsored *Poetera*, which laid the foundations for what was to become the Republic of Indonesia.

His critics have always regarded his record during the Japanese occupation as confirmation of their charges against him. At first, the Dutch Government offered his collaborationist record as the main reason for refusing to negotiate with the Republic. Soekarno has always answered such allegations with a simple, politically wise reply that temporary cooperation with the Japanese was necessary to sustain and advance the nationalist movement.

Whether this explanation is quite sincere, or partly rationalization, it is hard to say. It is, however, certain that by his activity during the occupation, Soekarno did keep the nationalist movement in the public eye. Moreover, he became the incarnation and symbol of Indonesian nationalism to large masses of the Indonesian population.

While others refused to collaborate with the Japanese on moral grounds, there is little doubt, from the practical point of view, that the groundwork which Soekarno and Hatta laid during the occupation redounded to the advantage of the movement when independence was declared on August 17, 1945. Soekarno was the man whose initial efforts made the future success and development of the Republican Revolution possible.

At certain critical periods in the first three years, Soekarno has assumed and exercised the vast powers delegated to him by the Indonesian Constitution, as, for example, during the crisis precipitated by the Sjahrir kidnapping in June 1946, and also during the gap occasioned by Sjahrir's resignation on June 27, 1947. In general, however, he has confined himself to making mass-meeting speeches to solidify his hold on the public adulation that is the source of his strength, living in quiet comfort, and leaving day-to-day affairs in the capable hands of Hatta and political negotiations in the hands of Sjahrir and Sjarifoeddin.

## SOETAN SJAHRIR

If President Soekarno has been the spellbinder and the political welder of the Indonesian Republic, Soetan Sjahrir has been the thinker and the diplomat behind it. Until the Cabinet crisis of June 27, 1947, when Sjahrir resigned under pressure, although his policy of compromise with the Dutch was accepted after his resignation, it had been the alliance between Soekarno and Sjahrir—the former supplying and ensuring public support, and the latter furnishing foresight and a sense of the politically-feasible—which had given the infant Republic stability in the face of strong pressures, both internal and external. Neither could have swung the beam alone. Despite his success as a negotiator, Sjahrir's appeal is to the cream of the Indonesian intellectual crop and not to the broad masses of the Indonesian public, while Soekarno's public appeal is based on the glow of his personality rather than on the deeper faculties of mind which would have suited him to protracted diplomatic negotiations under tense circumstances.

Sjahrir has a boyish and deceptively ingenuous countenance which makes him look even younger than his thirty-eight years. Standing just under five feet in height, Sjahrir is probably one of the smallest statesmen in history, with a shock of coal-black hair, a friendly and ingratiating smile, and a tendency towards plumpness which he tries to overcome by dancing, at which he is excellent, and tennis, at which he is not so good. Reserved and quiet in manner, he is a man who is nearly always underestimated when met casually; and yet to know him is to know a remarkably keen and sensitive mind. When a Dutch Foreign Office representative asked him for one of the Republican calendars decorated with the Indonesian motto *Merdeka* (freedom), and jokingly said, "If I hang this on my desk in the Palace, perhaps none of the Indonesian sweepers will take my pencils away," Sjahrir went out of his way to avoid him for more than a month.

Born in the Minangkabau region of Sumatra's West Coast on March 5, 1909, Sjahrir received his elementary and secondary education in Medan, Sumatra, and Bandoeng, Java, and thereafter went to Holland to study law at the University of Leyden. He married a Dutch girl whom he was not to see for fourteen years following his departure from Holland in 1932. While studying in the Netherlands, Sjahrir acquired a profound respect for Western education and culture, and a devotion to the idea that he must use his educa-

tion and his life to help bring freedom to the people from whom his Western education had partially alienated him.

After some socialistic and nationalistic activities in Holland with the *Perhimpoeaan Indonesia* or Indonesian Association, he returned to Indonesia intending to go back to Holland to complete his studies and then to return again with his wife to Indonesia once he had become re-oriented toward life there. In 1932, after his return to Indonesia, he joined the *Pendidikan Nasional Indonesia*, or Society for National Education, which advocated a program of widespread education in Indonesia. In two years' time, his pamphleteering for expanded educational facilities along Western lines was labeled as dangerous incitement, and he was interned in Boven Digoel, New Guinea, without precisely knowing what his offense had been. From then until March 1942, Sjahrir remained in exile in New Guinea and Banda Neira, in the Moluccas, reading voraciously and writing long and discursive letters to his wife in Holland on his thoughts in exile, his reading, philosophy, the nationalism and psychology of subject peoples in general, the psychological aspects of colonialism, education, Western letters, and the future of Indonesia. These letters were published in Holland in 1945, in a book called *Indonesische Overpeinzingen* (Indonesian Reflections).<sup>2</sup>

During his eight years of exile and isolation, Sjahrir grew in intellectual stature. He read and re-read the Bible, Nietzsche, Kant, Marx, Plato, Goethe, Dante, Huizinga, ter Braak, and Ortega y Gasset. An introvert by nature with a quick and retentive mind, he went into the study of Western culture more deeply than most Western intellectuals, but his thoughts and reactions continued to be bound to his own people, to their backwardness, and to the anachronism which their culture represented in the modern world.

It is remarkable, but true, that in eight long years of exile and internment, Sjahrir acquired no bitterness or fanatical hatred toward the Dutch. Actually, while his exile confirmed and re-enforced his already strong belief in Indonesia's right to independence and self-determination, and his profound antipathy toward colonialism, this long period served to mature his tolerance and realism. When eventually he came to the helm of the Republic's diplomatic ship of state, his was always the side of moderation and compromise within the framework of the politically and economically feasible and practicable.

<sup>2</sup> Published by the *Beize Bij*, Amsterdam, 1945. Published in English translation under the title, *Out of Exile*, John Day, New York, 1948.

During the Japanese occupation, Sjahrir remained uncompromisingly anti-Japanese and was under periodic surveillance by the Japanese Secret Police. Refusing to deal with the Japanese, Sjahrir pretended to retire from politics. From an isolated mountain retreat in Tjipanas, West Java, he and his trusted co-workers began the slow and precarious task of organizing an effective popular resistance movement in Java. In the last months before the capitulation the resistance was active in harassing the Japanese, and after the final surrender Sjahrir's organization took the lead in disarming Japanese forces.

Of his writings during the occupation, he published in 1945 his *Political Manifesto*<sup>3</sup> and his *Perdjoeangan Kita* (Our Struggle), calling for an end to Dutch colonial rule and expressing the desire and right of Indonesia to a place in the world community of nations. When Soekarno and Hatta proclaimed the independence of Indonesia and set up the "Republican Government" on August 17, 1945, Sjahrir joined the common cause. He was chosen as chairman of the Working Committee of the K.N.I.P. at its inception and, on November 13, 1945, was appointed Prime Minister, a position which he held—except for a month's hiatus during June-July, 1946—until June 27, 1947.

During this time, Sjahrir also held the portfolio of Foreign Minister and conducted all diplomatic relations and negotiations with the Dutch and with other foreign Governments as well.<sup>4</sup> As a diplomat, Sjahrir is shrewd and deliberate. It is no exaggeration to say that it has been his shrewdness, diligence, sincerity and restraint—more than any other's, with the possible exception of Dr. van Mook—that were responsible for the Linggadjati Agreement, and for the avoidance of widespread military action until July 21, 1947.

As chairman of the Indonesian delegation through twenty months of tedious negotiations, Sjahrir not only earned the admiration of the Dutch Government, but won for the Republic the friendship of Australia, India, the Arab League and Great Britain. During this period, moreover, the attitude of the United States toward the Republic underwent an appreciable change. In fact, it was to support Sjahrir's internal position that the United States note of June 27, 1947, was presented to the Republican Government urging the formation of an interim administration along the lines suggested by the Dutch, and promising consideration of American financial aid

<sup>3</sup> See Appendix, pp. 172-5.

<sup>4</sup> Including the rice negotiations with the Government of India. See pp. 76-7.



once the interim administration had been set up. Actually, the note arrived several hours too late. Sjahrir had already handed in his resignation in response to strong pressure from both the *Sajap Kiri* and the *Benteng Republik*, which felt that he had gone too far in conceding to the Dutch on the point of having the Crown's Representative as the titular head of the proposed Interim Government, pending the formation of the sovereign United States of Indonesia by January 1, 1949.<sup>5</sup>

Despite this internal political pressure and the criticism which accompanied it, Sjahrir's resignation was actually a tactic of political strategy, since within nineteen hours of his departure from the post, his policy was endorsed by the *Sajap Kiri* and President Soekarno asked him to return as Prime Minister. The offer was refused by Sjahrir, and in his place another moderate, the co-leader of Sjahrir's Socialist Party, Amir Sjarifoeddin, was appointed.

In retrospect, it is hard to deny that the change was probably a wise one from the Indonesian point of view. As the apostle of compromise and negotiation with the Dutch, and as the outstanding advocate of restraint on the Indonesian side, Sjahrir was not the man to counter the new and increasingly aggressive Dutch policy; nor was he, from a psychological point of view, the man to lead the Republic in a military conflict if one were to result, as later proved to be the case—a conflict, moreover, which was almost certain to go against the Republican forces at first. Sjarifoeddin, though a moderate, was not associated with the policy of restraint to the same extent as Sjahrir, and as the Minister of Defense in Sjahrir's two preceding Cabinets, he was well-qualified to lead the Republic in case of military action.

Immediately after the outbreak of military action on July 21, Sjahrir left for India en route to the United States, to plead the Republic's case before the United Nations. His activities at Lake Success will be discussed more fully in Chapter 8, but, in brief, his presentation of the Republic's point of view was eloquent, sophisticated, and effective. An influential American newspaper characterized his address to the Security Council as "one of the most moving statements heard here at Lake Success."<sup>6</sup> As a moderate of long standing, Sjahrir had felt that compromise with the Dutch was possible without compromising the principles of the nationalist move-

<sup>5</sup> The events leading up to Sjahrir's resignation, and the political situation prevailing in the Republic at the time, will be discussed at greater length in Chapter 8.

<sup>6</sup> *New York Herald Tribune*, August 15, 1947.

ment. When Dutch military action started, he felt that the time for compromise was over—temporarily, at least. His statements at Lake Success reflected his changed feelings.

Sjahrir's contributions to the Republic's survival in its early days have been subtle and unique. What his contributions to Indonesian nationalism will be in the future, it is hard to say. As long as he feels he can materially and appreciably advance the cause of independence, his position in the Republic will almost certainly be prominent. When he begins to feel that the cause is well on its way to fulfillment, he may wish to turn from politics to study and writing. It may well be some time before he will feel free to pursue the study in which he is even more vitally interested than in politics.

#### MOHAMMED HATTA

The man who in these first years was responsible for the day-to-day functioning of the Republic is neither Soekarno, the spell-binder, nor Sjahrir, the thinker—but Hatta, the realist and practical administrator. Forty-five years old in 1947, bespectacled, serious and competent, Hatta is the man who drew up the blueprint of the Republic during the occupation. He is the adviser whom Soekarno often has with him when the press bombards the President with questions on technical matters.

A diligent, behind-the-scenes administrator who prefers to remain out of the limelight, Hatta on many occasions acts as the official spokesman of the Government and delivers closely reasoned speeches to the S.O.B.S.I. and Youth Congress on its behalf. He made the decisive appeal at the K.N.I.P. session in Malang on March 12, 1947, when it appeared that the delegates might oppose one of President Soekarno's decrees and thereby seriously hinder the Republic's negotiations with the Dutch. After careful reference to the Constitution and to the emergency powers which it gave the President, Hatta concluded his address with the statement that if the K.N.I.P. withdrew its support, it would have to find a new President and Vice-President. Within two hours, the K.N.I.P. voted to shelve the motion which had been made to nullify Soekarno's decree.

Hatta was born in Bukit Tinggi, Sumatra, in 1902, and went to Rotterdam to study in 1922, having been Secretary and Treasurer of the Sumatra Youth Organization from 1918 to 1920. In Holland he was prominently associated with the *Perhimpoean Indonesia* or Indonesian Association, and edited that organization's periodical *Indonesia Merdeka* (Free Indonesia). The most traveled member of

the quartet, Hatta attended the International Democratic Congress in Paris in 1926, and the Liga <sup>7</sup> Congress in Brussels in 1927. He became connected with the Liga organization and worked for several years in Berlin at its headquarters between 1927 and 1930.

Returning to Indonesia in the early 'thirties, Hatta became chairman of the *Pendidikan Nasional Indonesia*, to which Sjahrir also belonged, and edited the nationalist periodical, *Daulat Rakjat*, or People's Call.

From 1935 until 1942, Hatta remained in exile and internment at Boven Digoel and Banda Neira with Sjahrir, for his political activities. Always a close friend and associate of Soekarno, Hatta became a member of the Indonesian Constitutional Law Commission after he had been freed by the Japanese, and eventually began the task of drafting the Republic's future Constitution.

With Soekarno, he led the *Poetera* <sup>8</sup> in reorganizing and unifying all nationalist political groups—under Japanese sponsorship. The Dutch found Hatta objectionable at first, as they had Soekarno, and for the same reasons, and condemned him as a war criminal for collaboration with the Japanese. His position as the Republic's first "brain-truster" and right-hand man of Soekarno has, however, remained as secure as Soekarno's own.

Probably the most experienced Republican leader in the technical affairs of government, Hatta also directs the Republic's economic policies by virtue of his position as chairman of the Economic Planning Board, which charts the course for Minister of Economic Affairs, Dr. A. K. Gani. To Hatta goes much of the credit for making the Republic work internally, and for directing the progress which has been made in the economic rehabilitation of the interior regions of Java and Sumatra during the first two years of the Republic.

#### AMIR SJARIFOEDDIN

The Republic's second Prime Minister was Dr. Amir Sjarifoeddin, co-leader of the Socialist Party—with Sjahrir—and one of the strongest and most experienced leaders in the nationalist movement.

Before becoming Prime Minister, small, dynamic Sjarifoeddin—as Minister of Defense in Sjahrir's second and third Cabinets—under-

<sup>7</sup> The Liga, or League Against Imperialism, was a leftist organization which agitated for the national independence of colonial areas in Asia during the late 'twenties and early 'thirties. Jawaharlal Nehru and Hatta became close friends through their common association in the Liga. This section was written before Hatta succeeded Sjarifoeddin as Prime Minister.

<sup>8</sup> See p. 8 *et seq.*

took the task of strengthening and unifying the Republic's armed forces and of keeping them obedient to the policies of the Central Government. Sjarifoeddin and his military commander, General Soedirman, were responsible for bringing law and order to the interior of Java and most of Sumatra, before the outbreak of hostilities on July 21, 1947.

In addition, Sjarifoeddin performed the vital function of maintaining liaison—until his elevation to the post of Prime Minister—between the Republican Government in Djokjakarta and Sjahrir, who spent most of his time in Batavia during the negotiations with the Dutch. Sjarifoeddin is a man of vision and integrity, respected on both sides. A Socialist who believes that the Republic must be politically free to direct its economic reorganization along socialist lines, Sjarifoeddin has exceptional political stature in the Republic.

Sjarifoeddin was born in 1907 in Medan, Sumatra, and received his secondary education at Leyden and Haarlem in Holland. He returned to Indonesia to study at the Batavia Law School where he received his degree in 1933, after which he did some teaching and undertook graduate study towards the degree of Doctor of Law.

In 1933 he was arrested and sentenced to two years' imprisonment for nationalist pamphleteering. After his release in 1935, he began to practice law in Soekaboemi, West Java, and at the same time founded, and became chairman of, the strongly nationalistic *Gerindo* Party. In 1939, he became general secretary of the G.A.P.I. federation of all nationalist political parties, but with the fall of Holland in May, 1940, Sjarifoeddin agreed to work with the Dutch Government to aid in the fight against fascism, which he considered a greater menace than colonialism. He became successively an adviser to the Department of Economic Affairs, Secretary of the Governing Board of the Export Bureau, and, finally, editor of the *Economic Weekly* published by the Department of Economic Affairs.

When the Indies fell to the Japanese in February, 1942, Sjarifoeddin remained an implacable foe of the new regime and for his active underground work was sentenced to death. The sentence was later commuted to life imprisonment.

Sjarifoeddin played an active part in the Republic from its inception and served as Minister of Information in Soekarno's first Cabinet and in Sjahrir's first Cabinet. He then became Minister of Defense in Sjahrir's second and third Cabinets, and succeeded to the post of Prime Minister five days after Sjahrir's resignation on June 27, 1947. As Prime Minister he had the support and respect of all

groups in the Government and was able to lead these groups in common opposition to the Dutch military action of July 21.

#### ADNAN KAPAN GANI

Ranking below these "Big Four," there have been other prominent figures who have helped to contribute the indispensable factor of leadership to the Republic. In the forefront of these has been the Deputy Prime Minister and Minister of Economic Affairs, Dr. Adnan Kapan Gani. Doctor, actor, politician, Gani is probably the most colorful of the Indonesian leaders, as well as one of the most affable and egocentric. Born in Palembang, South Sumatra, Gani studied medicine at the Batavia Medical School and, after receiving his degree, began to practice in Palembang. His practice was successful, but his ambitions and interests soon turned to other fields. He became attracted by the lure of Java's infant moving-picture industry. He appeared in two Javanese films and made a reputation for himself as a screen swain, before his interest in politics began to consume all his attention. Even now Gani admits a profound personal as well as official interest in films and professes a desire to build a Government-sponsored film industry in Indonesia in the future.

In the late 1930's, Gani became a member of the Executive Committee of Sjarifoeddin's *Gerindo* Party. During the occupation, his political interest and activity lagged, and he returned to the practice of medicine. He did, however, in April 1945, become a member of the Preparatory Commission for Indonesian Independence and was active when that body endorsed Soekarno's and Hatta's Declaration of Indonesian Independence and elected the two top nationalist leaders as President and Vice-President of the hastily formed Republican Government. In August 1945, he became the first Republican Resident, or representative of the central Government, in his home city, Palembang. Five months later, he was appointed Vice-Governor of South Sumatra and in this position expanded his political influence, gaining renown as the "brains" behind the extensive "smuggling" trade which the Republic carried on with Singapore, despite the Dutch naval blockade of all Republican ports.

In October 1946, Gani became Minister of Economic Affairs in Sjahrir's third Cabinet, a position which he retained under Sjahrir and Sjarifoeddin. When Sjarifoeddin became Prime Minister, Gani, as the chairman of one of the strongest parties in the new coalition government, the P.N.I., also was given the portfolio of Deputy Prime Minister.

As a member of the Indonesian delegation throughout the twenty months' negotiations with the Dutch—along with Soesanto and Mohammed Roem, and under both Sjahrir and Sjarifoeddin—Gani, a diplomatic neophyte, acquired considerable experience, and a reputation for meeting moderation with moderation and fire with fire. At one of a series of Dutch-Indonesian conferences regarding implementation of the economic provisions of the Linggadjati Agreement, Gani had a particularly lively dispute with the Dutch Naval Commander-in-Chief, Vice-Admiral A. S. Pinke. At one point in the discussion, the Admiral proclaimed that, regardless of any agreements reached by the civil authorities in the Netherlands Indies, exports from all Indonesian territory would remain subject to naval scrutiny—because "I am the authority in these waters." Gani replied with a sarcastic laugh and a reference to the flourishing "smuggling" trade between Sumatra and Singapore which was being carried on despite the Dutch Navy. The conference broke up temporarily as a result of the sharp exchange.

As chairman of the strong Nationalist Party (P.N.I.), Gani's political star is bright. As an economist, however, Gani is a good Thesopian. He has admitted that one of the "main attractions . . . of politics is its romance." It is thus appropriate that his position as Minister of Economic Affairs should be devoted mainly to public relations at which he is excellent, rather than to planning. In the policy aspects of economic affairs, Gani will probably continue to remain subordinate to Hatta. As a statesman and negotiator, Gani is emotional and inclined to be superficial. As a public relations man, cigar-smoking, gregarious, extrovert Gani is a real asset to the Republican cause.

#### HADJI AGOES SALIM

One of the most scholarly and stimulating of all the Republican leaders is the Foreign Minister, the venerable Hadji Agoes Salim. Born in Kota Gedang on the West Coast of Sumatra in 1884, Hadji Salim is probably the oldest active leader in the youthful Republican Government. In his position as an elder statesman with a long nationalist record dating back to the start of the movement, the Hadji has exercised considerable influence on the younger, less experienced leaders, indirectly through persuasion and advice, rather than directly through his own power.

A scholar who speaks a euphuistic English as well as fluent Arabic, French, Dutch, and German, the Hadji acquired most of his learning

by private study after he graduated from high school in Java. From 1905 to 1911, he worked as a translator in the Dutch Consulate in Jidda, Arabia, while continuing his studies of Islam and Arabic at the same time. Returning to Java, he edited the *Bataviaasche Nieuwsblad* (Batavia News), and helped to found, in 1919, the Islamic organization, *Sarekat Islam*, which later expanded greatly in size, strength, and nationalist sympathies. Agoes Salim never slackened his interest or activity in Islamic circles. In 1925-26 he founded and edited the organ of the All-Islam Congress, the *Fadjar Asia* (Dawn of Asia). In 1927, he became a "Hadji," or pilgrim of Islam, by making the pilgrimage to Mecca.

Continuing his activity in the *Sarekat Islam*, Agoes Salim journeyed to Europe in 1929 as an Indonesian delegate to labor conferences in Geneva and in Holland. He returned to Indonesia to edit an Indonesian Islamic newspaper in Djokjakarta, the *Mustika*. Constantly advocating education, Islamic unity, and direct political negotiations to further Indonesian nationalism, the Hadji remained both a student of Islam and a citizen of the world.

When the European War broke out in 1939, Agoes Salim agreed to cooperate with the Dutch against German fascism and went to work for the Netherlands Information Service for a short time in 1940. After the Dutch capitulation in 1942, he became active in the *Poetera* with Soekarno and Hatta during the Japanese occupation. After the Declaration of Independence, he helped to re-organize the *Masjoemi* Party. He became Vice-Minister of Foreign Affairs in the second and third Sjahrir Cabinets, and Foreign Minister when Sjahrir resigned that portfolio in June 1947.

Despite his relatively advanced age and his insistence that "revolution is a business for young men," the Hadji's role in the Republican Government has been an active one. As a moralist and strategist, and as a keen judge of human nature, he exerted a wholesome influence on the younger men—including Sjahrir—who actually handled the negotiations. His position as a well-known, popular and respected national figure, because of his long activity in Indonesian Islam, made his advice and opinions much sought after at moments of diplomatic crisis, not only by the Republic but even by the Dutch.

Agoes Salim went to Delhi in March 1947 to attend the Inter-Asian Conference as the Republic's chief representative. He remained away for eight months, first on a mission to the Middle East

to solicit friendship and promises of support in the United Nations from the Arab League, in case the Dutch should resort to military action. When the outbreak came, Agoes Salim joined Sjahrir in taking the Indonesian case to Lake Success.<sup>9</sup>

A small man with a quaint, stubby, white Vandyke beard and youthful, bright eyes, the Hadji is a man of taste, wit and acumen. In an argument, his polished and enthusiastic rhetoric is at its peak, but there is a twinkle in his eye and persuasion in his voice. An unusually versatile raconteur, he is one of the few men whom the writer has ever known to out-talk the former American Consul General in an exchange of anecdotes on pre-war days in the Indies—which both men knew so well from such different points of view.

The Hadji is a man who combines a truly religious spirit with a contagious zest for life and for people. He is a thinker and an extrovert as well, and is probably one of the few Hadjis who can take an occasional alcoholic drink while remaining a devout and respected Moslem. There are few men of either the Hadji's age or broad culture on the Indonesian political scene, and while it is likely that he will soon retire from public life to return to his large family, the Hadji's high place in the annals of Indonesian nationalism is secure.

There are still other Indonesian leaders whose positions are important and whose names are worth mentioning. Mohammed Roem, the former Minister of Home Affairs, has a strong voice in the *Masjoemi* Party. Born in 1908 at Parakan, Middle Java, Roem was educated at the Batavia Law College and entered private law practice in 1939. He was active before the war in Islamic circles and played an important role after his appointment to the Cabinet by Sjahrir in October 1946. As a member of the Indonesian Delegation, a Cabinet Minister with an important portfolio, and a major figure in the *Masjoemi* Party, Roem had an important position in the Republican administration. He is a man of vision who appears to be aware of the Republic's future responsibilities toward the rest of the world. Speaking to a group of Indonesian officials and businessmen in Batavia on May 8, 1947, Roem said:

"A difficult task awaits the Republic. We shall have to show the world that we are capable of conducting our affairs to the satisfaction and benefit of the outside world."

<sup>9</sup> Both the Middle East and Lake Success missions will be discussed more fully in Part III



Roem is likely to be an important figure in Indonesian politics and in the Republican Government. His influence will be a conservative one.

Then there is Setiadjit, the key figure in the Indonesian Labor Movement, who has been Chairman of the Labor Party and Vice-President of the S.O.B.S.I. Labor Union federation, as well as second Deputy Prime Minister—behind Gani—in the Sjarifoeddin Cabinet.

Setiadjit is a moderate socialist who spent the war in Dutch underground activities in Holland, editing the resistance newspaper, *Vrij Nederland* (Free Netherlands). Returning to Indonesia immediately after the Allied re-occupation, he performed valuable liaison work for the Republic. In April 1946, he accompanied Dr. van Mook to Holland to help convince Dutch liberal leaders of the need for making further concessions to the Republic. He was with Dr. Koets when the latter made his important visit to Republican territory in September 1946. As the leader of a labor movement which is almost certain to grow stronger in the coming years, Setiadjit's position and influence in Indonesian politics is likely to grow proportionately.

These are some of the leaders who have helped to steer the new ship of state through rough waters during the first years. There are, of course, lesser leaders—among them, Alimin Prawirodirdjo, the Communist leader, and Dr. Sockiman, the conservative titular head of the *Masjoemi* Party. The latter has long been a member of the nationalist movement and was in the vanguard of those who opposed negotiations with the Dutch because of their profound distrust of Dutch intentions. There are, also, Abdoel Madjid, of the Socialist Party, Soesanto Tirtoprodjo, of the P.N.I., and Mrs. Maria Santoso, of the Women's Federation, formerly Minister of Social Affairs.

In general, the Republic's leadership is in the hands of younger men, whose education and sincerity are greater than their administrative or political experience. They are men who came to their new positions with a real sense of responsibility toward their people, and an appreciation of the magnitude of the tasks before them. They are definitely not fanatics. They are men who listen to advice and appreciate help in their work. They are usually open-minded, and anxious for cooperation with other nations.

## **PART III**

# **DEVELOPMENTS AFTER LINGGADJATI AND THE OUTLOOK FOR THE FUTURE**



## CHAPTER SEVEN

### *FAILURE TO IMPLEMENT LINGGADJATI AND THE FINAL BREAKDOWN*

The signing of the Linggadjadi Agreement on March 25, 1947, was the occasion for reciprocal public expressions of good will by Professor Schermerhorn and Dr. van Mook on the Dutch side, and Sjahrir on the Indonesian. *Selamatans* were held in the *kampongs*, official cocktail parties were exchanged, and optimism in Batavia was running high, on the surface at least.

In their first meeting three days after the signing, the Indonesian Delegation and the Dutch Commission General—now constituted as a joint organization to direct the implementation of the Agreement<sup>1</sup>—issued the following proclamation:

“Now that the realization of the Linggadjadi Agreement has put an end to the state of conflict between the Netherlands and the Republic of Indonesia, it is essential to remove every thought of vengeance or reprisals . . . on either side, . . . and to put an end to the fear that is [still] held by many. . . . Furthermore, the main questions which have yet to find their solution by mutual agreement can be solved only in an atmosphere of friendship and good faith.

“For this reason the Commission General and the delegation of the Republic jointly issue the following statement:

“‘No one shall be prosecuted or in any other way be subjected to legal proceedings for the reason that he has joined either party or has placed himself under the protection of either party.’”<sup>2</sup>

The proclamation actually contained more sense than it did conviction. Calling for joint and effective action, it was an auspicious, if minor, introduction to the problems of implementation which grew

<sup>1</sup> Article XVII, Section A, of the Linggadjadi Agreement stated that “In order to bring about the cooperation between the Netherlands Government and the Government of the Republic envisioned by this Agreement, an organization shall be called into existence, consisting of delegations appointed by each of the two Governments with a joint secretariat.” See Appendix, p. 178.

<sup>2</sup> Issued at Batavia, March 29, 1947.

from the vague terminology of Linggadjati. The optimism which this proclamation seemed to express was short-lived.

While both sides continued to give extensive lip-service to the so-called "spirit of Linggadjati," violations and breaches of that spirit multiplied in the next two months. Paradoxically enough, there were more such breaches on both sides after March 25 than there had been in the three months between the drafting and signing of the Agreement. It is impossible to determine quantitatively which side was guilty of the greater number of violations. The indictments on both sides were substantial.

#### REPUBLICAN CLAIMS: DUTCH "DIVIDE AND RULE" POLICY

On the Dutch side, efforts were made toward the setting up of puppet states in East Indonesia and Borneo which would initially be under Dutch control and in the long run would at least remain sympathetically inclined toward the Netherlands. Nominal authority was given to the East Indonesian Government of President Tjorkorde Gde Rake Soekawati and Prime Minister Nadjamoeddin Daeng Malewa, but the East Indonesian Constitution provided that "provisionally" all matters pertaining to foreign affairs, defense, finance, trade, education, industry, etc.,<sup>3</sup> would be subject to final decision by the Netherlands Indies Government.

At the opening of the East Indonesian Parliament in Macassar on April 22, 1947, both Soekawati and Nadjamoeddin indicated their intention of relying heavily on the Government in Batavia. While an East Indonesian Cabinet was formed, the position of "Secretary General" was attached to each Ministry, and a Dutch official was put in the post. The Secretary General of the East Indonesian Ministry of Economic Affairs—who formerly had been a high official in the Dutch Department of Economic Affairs—admitted two weeks after the opening of the East Indonesian Parliament that, in the event of a dispute between himself and the Minister, "I would probably win out!" Within the East Indonesian Government itself some pro-Republican sentiment developed under the leadership of the Chairman of the Parliament, Tadjoeeddin Noor. Within a month after the opening of the Parliament, Tadjoeeddin was forced out of office.

In West Borneo, a "state" was set up in May 1947, under Dutch sponsorship, headed by Sultan Hamid II of Pontianak. Hamid Alkadrie had been a lieutenant-colonel in the Dutch Army. He was promoted to the rank of full colonel and attached to the staff of the

<sup>3</sup> Cf. footnote, p. 45.

Queen of Holland just before the formation of the "autonomous" state of West Borneo.

These steps toward autonomy in East Indonesia and Borneo were unconvincing, both to the press and to other observers in Batavia at the time. The Republic regarded them as a direct violation of the spirit of Linggadjati in general, and of Article II in particular. That article had provided for "cooperation" between the Republic and the Netherlands in the "formation . . . of a sovereign . . . democratic state on a federal basis to be called the United States of Indonesia." The Agreement also had provided that the states of East Indonesia and Borneo were to be components of the projected U.S.I. The Republic contended that, in forming these "states" unilaterally and under clear Dutch control without any prior consultation, the Dutch were harking back to an old colonialism under a new guise, and were acting in contravention of the Agreement.

Dutch political activity in Borneo more especially appeared to the Republican Government not to be in conformity with the Agreement. The Republic counted upon majority support in both East and South Borneo and had repeatedly addressed requests to the Dutch to hold plebiscites in these areas according to Article IV of Linggadjati, which provided that the "population of any territory decide by democratic process" what its position within the U.S.I. would be, and whether it wished to become integrated in the Republic or in another of the states. Republican protests were ignored, and West Borneo was set up with a fanfare and publicity which completely overlooked the fact that the political future of both South and East Borneo had still not been decided.

Even Dr. van Kleffens, the Dutch Ambassador, who presented the Dutch case when the Indonesian question came before the Security Council after the outbreak of hostilities,<sup>4</sup> showed his ignorance of this important point by his reference to "the Government . . . of Borneo," as being in support of the Dutch military action.<sup>5</sup> The Republican Government contended that not only had West Borneo been set up outside the provisions of Linggadjati as a puppet government, but that the areas of Borneo which were sympathetically inclined toward Djokjakarta had been effectively muzzled.

The Republican leaders had still other and more serious griev-

<sup>4</sup> See Chapter 8.

<sup>5</sup> On August 26, 1947, the Dutch announced recognition of the "self-governing" territory of East Borneo. No plebiscite among the people of the area and no consultation with the Republic preceded the formation of the new "government" which the Dutch announced would become part of the projected U.S.I.

ances against Dutch action in the period immediately following the signing of Linggadjati. One of the most serious of these was over the *Pasoendan* independence movement which the Dutch fostered in the recognized Republican area of West Java. The movement, they alleged, was engineered by certain high officials in the Dutch Civil Service and the Army, who hoped that it would provide a legitimate political excuse for military action. The existence of such a plan was well known to all observers in Batavia and was even admitted by the Dutch officials who had not been actively associated with it. Evidently, the intention had been to foster separatism in West Java and to justify it in the light of the linguistic and cultural differences between the Sundanese and the other peoples of Java.

More than two months before the signing of Linggadjati, one reliable American observer visited a high Dutch Civil Service official in Bandoeng, the center of Republican Western Java, which was held by the Dutch. The official had numerous Sundanese visitors and spoke to them in the Sundanese language. The observer asked him before leaving what it was all about, and smilingly he replied, "We are working on something here which will blast Linggadjati off the front pages." With the help of the Dutch Army in Bandoeng and in Buitenzorg, the *Pasoendan* movement very nearly did just that.

On May 4, 1947, in Bandoeng the Sundanese People's Party (*Partai Rajat Pasoendan*), which had been newly formed for the occasion, proclaimed the independence of the twelve million Sundanese people in the western third of Java. The proclamation was immediately turned over to the Dutch Army whose help and protection were solicited to set up a "government" and hold a "plebiscite" in "Sundanese" territory.

Actually, the whole "movement" was a farce from start to finish. In the first place, the two top leaders chosen for the "movement" were the most impossible selections imaginable. Soeria Kartalegawa, the "President," had been widely regarded as a ne'er-do-well and Raden Mas Koestomo, the "Prime Minister" and spokesman of the group, had been released from a mental institution in Buitenzorg only a few months before the proclamation of independence! The Sundanese People's Party itself had had no contact whatsoever with the Sundanese people as such, since the organization had never ventured outside the Dutch-held cities of Bandoeng and Buitenzorg.

The ceremonies of the independence proclamation, moreover, were staged to the point of absurdity. At one of the ceremonies Dutch Military Police handed out green and white *Pasoendan*

flags with one hand, and large half-loaves of bread with the other to the hungry people—mostly young boys—in order to start a parade as a “voluntary” demonstration of the popular support behind the new movement.

The travesty of *Pasoendan* was immediately exposed by the press, and public disclaimers were soon issued by the Netherlands Government Information Service in Batavia and, unofficially, by Dr. van Mook’s headquarters as well.

In all fairness it should be stated that the *Pasoendan* “movement” was a misguided plan engineered by overzealous units of the Army and the Civil Administration, evidently without the prior approval or consent of the Central Government or the Commission General in Batavia.

Aside from certain “protective” actions which the Army took against Republican Government offices in Buitenzorg and later in Batavia, the Central Dutch Government restrained the Army and extinguished the synthetic *Pasoendan* spark before the Army had fanned it into a major military conflagration.

Nevertheless, from the Republic’s point of view, the *Pasoendan* abortion confirmed its worst suspicions of a Dutch intention to “divide and rule,” and to find a diplomatic excuse for using military force in order to restore colonialism in Indonesia. Justified or not, Republican distrust and suspicion probably were augmented more by the *Pasoendan* fiasco than by any other Dutch action after Linggadjati.

On the military front, the Republic directed countless charges against alleged Dutch violations of the March 29 statement that Linggadjati had “put an end to the state of conflict between the Netherlands and the Republic of Indonesia. . . .” Particularly in the Medan area of Sumatra, allegations were made that Dutch patrols constantly crossed the demarcation lines which had been set up as barriers between the Dutch and Indonesian forces. Similar allegations came from the other side.

On March 17, one week before the signing of the Agreement, Dutch troops had openly violated the demarcation lines around the Soerabaja perimeter in East Java, when they moved out from the city itself into the Republican territory, and occupied the Republican city of Modjokerto. According to the Dutch, the reason for the action was that the rice area in and around the Sidoardjo and Brantas deltas outside Soerabaja had been partially inundated by a breakage in the delta dikes. Immediate action was necessary, they main-



tained, to repair the dikes—which the Republic seemed unwilling or unable to do—and to prevent further inundation and destruction of the rice crop covering an area of some 70,000 acres.

There was certainly justification for this view, but the Indonesians regarded the action as a blatant violation of the cease-fire order of October 14, 1946. The ends, they felt, had not required or justified the military means used. One of the first demands they made after the signing of the Agreement was for an immediate evacuation of Dutch troops from Modjokerto, and from the Sidoardjo and Brantas deltas. The Dutch countered with a suggestion that both sides demilitarize the area. Lengthy discussions on the point ensued, and during the discussions Dutch troops remained in Modjokerto. The Republican contention was that the area was *de facto* Republican territory and had been recognized as such by the Dutch themselves on March 25. The Republic could not and would not agree to a demilitarization of its territory unless the Dutch were to agree to a similar concession in Dutch territory. A satisfactory solution was not reached; Dutch troops and patrols remained in the area, although Republican civil officials later returned to the city.

As the *Pasoendan* incident had confirmed the Republican fear that the Dutch might use a political device as a justification for the employment of force, so Modjokerto confirmed its fear that the Dutch might use an economic situation to justify the use of force. Both events strengthened suspicion of Dutch intentions, particularly on the part of the rightist *Benteng Republik* constituents.

On the economic side, there was the thorny issue of the Dutch Naval blockade of Republican ports which continued in effect after the signing of Linggadjati. According to a series of Dutch ordinances promulgated by decree of the Lieutenant Governor General, and the Commander-in-Chief of the Dutch Navy in the Netherlands Indies, Vice-Admiral A. S. Pinke, on January 28, 1947, all exports from and imports to Republican ports were subject to inspection and licensing either by the Dutch Navy or the Dutch Department of Economic Affairs in Batavia. Categories of "contraband" goods had been formulated which included not only imports of military equipment but also exports of any produce which might be considered to be "estate" or "European" in origin. Products such as rubber, quinine, sugar, abacà, and sisal in Java which before the war had largely originated from European and Dutch-owned estates were *prima facie* assumed to be still owned by the former estate proprietors, regardless of the date of production of the goods. In other words, all estate

produce was assumed to have antedated the Dutch capitulation of February 1942, and such "*prima facie* estate produce" was subject to seizure by the Dutch Navy, regardless of allegations or bills of lading which might be proffered to prove that the production had taken place after the Dutch had left or been removed from their estates.

In point of fact, the Dutch had justification for these decrees since there is no question but that large quantities of pre-war estate stockpiles of rubber, sugar, quinine, tobacco, and fibers were stored in Republican areas, and that attempts were being made by Indonesian and Chinese dealers to smuggle this old but valuable produce to Singapore. There is, moreover, little doubt that at least part of Dr. Gani's "trade" from South Sumatra consisted of just such cargo.

Nevertheless, before the signing of Linggadjadi, the Dutch Navy applied the decrees of January 28 in an arbitrary and high-handed fashion, refusing to consider or allow any discussion or evidence as to the "details" of place of origin, date of production, or bills of lading attached to a specific cargo. Chinese, Indonesian, and British ships, and one American vessel, were seized and their cargoes impounded by the Navy on behalf of the Department of Economic Affairs, whether or not there was any doubt as to ownership, age, or origin.

As a matter of fact, prior to Linggadjadi, the aggressiveness of the Navy in enforcing the decrees had constituted, in effect, a complete blockade of all Republican ports and had given rise to strong protests not only from the Republic but from the American and British Governments as well.<sup>6</sup>

<sup>6</sup> The most famous of these protests was delivered two weeks before Linggadjadi by the American Ambassador to the Dutch Foreign Office at the Hague. The protest concerned the seizure of the American liberty ship, "Martin Behrman." The "Behrman," a ship of the Isbrandtsen Company, had arrived in the East Java Republican port of Cheribon in the middle of February. According to a "contract" which the Isbrandtsen Line had allegedly negotiated with the Republic's Banking and Trading Corporation (cf. pp. 72-3), the "Martin Behrman" began to load a cargo of 5,000 tons of rubber sheets and crepe, 400 tons of sugar, 500 tons of cinchona bark, and 200 tons of sisal—under the eyes and guns of the waiting Dutch destroyer, "Kortenaar." The cargo was "*prima facie*" estate produce, but the B.T.C. claimed to have bills of lading and "proof" of the date of production and, hence, of the Republic's "legal" ownership of the produce. The Isbrandtsen Company stated that it was "satisfied" as to the legality of this "proof," and continued loading despite Dutch threats of seizure. On March 1, when loading of the multi-million-dollar cargo had been completed, the "Kortenaar" placed an armed marine guard on the "Martin Behrman" and forcibly directed the master to proceed to Tandjong Priok, the Dutch port of Batavia.

On March 4 the cargo was impounded by the Dutch Government, and one week later the American protest was delivered to the Hague. The Netherlands' reply called attention to continued Dutch *de jure* sovereignty and "responsibility" throughout Indonesia, and on March 24 the Batavia Land Court confirmed the Government's seizure.

After the signing of the Agreement, it was the understanding of the Republic—and particularly of its Minister of Economic Affairs, Dr. Gani—that the decrees of January 28 and the Dutch blockade would be lifted. Gani's contention was that in line with the "co-operation" implied by the "spirit of Linggadjati," and in line with Dutch recognition of the Republic's *de facto* authority, the Dutch should immediately take steps to enable his Ministry freely to carry on and to regulate *bona fide* trade between Republican areas and the outside world.

In the two months following Linggadjati, the aggressive Economics Minister made several representations on this subject to the Commission General and to J. E. van Hoogstraten, the Director of the Dutch Department of Economic Affairs, but his efforts were to no avail. Gani and the P.N.I. party of which he was chairman, became more than ever convinced by this failure that the Dutch intended to isolate the Republic from foreign trade—despite the *de facto* recognition which had been granted by Linggadjati—in order that pre-war colonial economic relationships might be restored.

As in the other cases which have been cited, the question as to whether or not the Republic's enhanced suspicions were fully justified in every case is of secondary importance. The main point, rather, is that there was ample cause for some of the Republic's fears, and that these aggravated fears nullified much of the cooperative spirit which Linggadjati had awakened.

#### THE DUTCH CHARGES: REPUBLICAN "FOREIGN RELATIONS" AND TRUCE VIOLATIONS

It is, however, well to remember that in the period following Linggadjati, fear and suspicion were by no means confined to the Republican side, nor were "provocative" acts restricted to the Dutch side. In Dutch eyes, during the two months following Linggadjati, the Republic also gave abundant indication of her unwillingness or inability to abide by the Linggadjati Agreement according to its intentions and spirit.

First and foremost of Dutch grievances was the independent and expanding network of foreign relations which the Republic had begun to set up even before the signing of the Agreement, and which it expedited after it was signed. Less than one week before the signing, the then Vice-Minister of Foreign Affairs, Hadji Agoes Salim, left by an Indian plane from Djokjakarta to head an Indo-

nesian delegation to the Inter-Asian Relations Conference in New Delhi on March 23, 1947. The Interim Government of India had invited twenty-two countries of Asia to participate in this first Inter-Asian conference and had extended a special invitation to the Republican Government. Two days after the signing of the Agreement, Prime Minister Sjahrir also left for New Delhi and later addressed the conference. Indian-Indonesian relations, which had begun on a friendly note with the rice negotiations a year before,<sup>7</sup> were cemented by Sjahrir's trip to Delhi, and his conversations and exchange of views with Pandit Nehru, Foreign Minister and leader of the Interim Government.

Sjahrir returned to Batavia via Siam and Singapore within two weeks, but Hadji Salim remained in India and soon afterward led an Indonesian delegation to the Middle East. Setting up headquarters in Cairo in April, the Hadji began a series of discussions with and visits to the states of the Arab League, with the avowed purpose of acquiring friends for the new Republic. As a Moslem leader of long standing, and having a fluent command of Arabic, Agoes Salim was a good choice for the mission.

By the beginning of June, Egypt, Syria and Iran had all accorded *de facto* recognition to the Republic, and on June 10, in Cairo, Agoes Salim and Prime Minister Nokrashy Pasha of Egypt signed a treaty of friendship between their respective nations. Syria soon followed suit. From the Indonesian point of view, Hadji Salim's mission was an auspicious success. From the Dutch point of view it was a flagrant violation of Linggadjati and of the Agreement's accompanying memoranda and exchange of letters. According to the Dutch view, the Republic's diplomatic activity in India and the Middle East was contrary to the cooperative spirit of Linggadjati and represented a clear indication of the Republic's intention to by-pass, and even to sabotage, the projected Federated United States of Indonesia by establishing its own unilateral contacts and missions abroad. The Dutch charged that the foreign diplomatic activity of the Republic was in direct contravention of an exchange of letters between the Commission and Sjahrir on November 20 and November 25, 1946, in which the Republic had indicated its adherence to the premise that *de facto* recognition did not carry with it the diplomatic connotations of *de jure* recognition.

According to Article II of the Agreement, *de facto* recognition alone had been granted the Republic, and *de jure* recognition of a

<sup>7</sup> See p. 76.

"sovereign . . . state" had only been accorded to the not-yet-formed United States of Indonesia. For the Republic, the distinction between the two forms of recognition may have been a tenuous one. For the Dutch it was crucial. In the two months following Linggadjati, Dutch confidence in Republican aims was undermined more by the independent program of foreign relations which the Republic embarked upon, than it was by any other single factor, including truce violations and casualties inflicted on Dutch armed forces by Republican regular and irregular army units.

That there were also violations of the cease-fire truce Agreement of October 14, 1946, by the Indonesians is unquestionable. The Dutch Army made continual allegations of Republican infiltration through the demarcation lines in Bandoeng, Soerabaja, Medan, Padang, and Batavia. In the months following Linggadjati, there were countless reports by the Dutch Army Information Service of "routine" Dutch patrols or posts being mortared or machine-gunned by T.R.I. units. Invariably, the official reports would acknowledge that Dutch forces had retaliated and "silenced" the T.R.I. fire. There is little doubt that provocation from the green T.R.I. troops was extensive, and yet under the military conditions prevailing in Sumatra and Java following Linggadjati, where Dutch and T.R.I. units had patrols operating within a few hundred yards of one another, it was obviously impossible to determine who fired the first shot in most of the innumerable skirmishes that took place. Cats and dogs, noises and wind could and did start shooting, and the psychological factor in such cases is always so strong that both sides could well have been sincere in accusing the other side of starting any particular incident. Such simultaneous dual accusations were made more than once.

Another Dutch grievance lay in the numerous "plots" which were discovered following Linggadjati, involving alleged Republican attempts to foment disorder and sabotage in East Indonesia. In one such episode, during April, forty armed Indonesian "extremists" were captured by the Dutch Navy en route from an East Java port to Bali, six miles across the Straits, in small *prahus*. The Dutch felt that this and other such instances constituted clear evidence that the Republic regarded the Linggadjati document as a temporary expedient, and that the real Republican aim was to sabotage the federal structure envisioned by the Agreement.

The records on both sides, during the two months following Linggadjati, were so tarnished that militant groups in both Djokja-

karta and Holland were becoming stronger, and the cooperative elements were becoming less and less inclined toward cooperation. Cause and effect were, of course, almost indistinguishable in this regard.

In Djokjakarta, the worst fears of the rightist *Benteng Republik* were being confirmed, and the moderate *Sajap Kiri* was becoming more and more inclined to favor a strong policy toward the Dutch. Confidence in Sjahrir remained, but there was a noticeable decrease of enthusiasm for his compromise policies and for his continuing confidence in the workability of cooperation.

In Holland, pressure on the Catholic-Labor Coalition Government was increasing. The Catholic Party under its Parliamentary leader, Professor Romme, openly advocated the use of force in Indonesia. The Labor Party remained opposed to force but was more pressing in its demands for some action which would put an end to the costly stalemate. The newly formed and influential right-wing Committee for the Preservation of the Kingdom (*Comité Handhaving Rijkseenheid*) called for military action. Its leaders, former Prime Minister Pieter Gerbrandy and former Minister of Colonies, C. H. Welter—the old-guard colonials—openly accused the Commission General of weakness, incompetence, vacillation, and even treachery. One member of the Commission, Feike de Boer, had already resigned because of the scurrilous criticism which his liberal position had received.<sup>8</sup> Dr. van Mook and Professor Schermerhorn could not and did not remain indifferent to the pressures from home.

In Batavia, none of the trust and mutual confidence or goodwill envisioned by the Agreement was apparent in April and May. It was not unusual for Dutch and Indonesian officials to voice their grievances and disappointments privately to American and other observers. Each would separately, but spiritedly and sincerely, refer to a violation committed by the other side as an indication of that side's unwillingness or inability to act upon the Linggadjati Agreement. The Indonesian would point to *Pasoendan* or Modjokerto and aver that the Dutch were plainly doing their best to gain a footing for a restoration of colonialism by a policy of divide-and-rule.

The Dutch would just as heatedly refer to the Republican diplomatic activity in India and the Middle East, or to an incident at one

<sup>8</sup> Mr. de Boer's resignation had this personal motive as well as that referred to on page 46. A liberal, straightforward businessman, de Boer had taken the position of favoring political concessions to the Republic as a *quid pro quo* to give Dutch business a chance to operate again. For this stand he was harshly criticized in the press and by rightist political parties in Holland.

of the demarcation lines around Medan or Bandoeng, where several Dutch soldiers had been killed; or to orders "secured" by the Netherlands Forces Intelligence Service (N.E.F.I.S.), which showed that the T.R.I. was planning an attack on some Dutch hill station—as indications that the Republic was composed of irresponsible elements out to sabotage Linggadjati and all future Dutch interests in Indonesia.

During the two following months all attempts by the Republican Delegation and the Commission General to implement the Agreement through discussion and compromise on specific points were stymied by the "which-comes-first-the-chicken-or-the-egg" sort of controversy. For example, Dr. Gani continually pressed for a relaxation of the Dutch economic regulations of January 28 and a lifting of the Dutch blockade of Republican ports. Over the heated words of Admiral Pinke, the Commission General—or its economic representative, van Hoogstraten—replied that this might be done, but only after European and other foreign properties in Republican territories had been returned to their rightful pre-war owners as provided for in Article 14 of the document.

Dr. Gani and the Republican Delegation countered that foreign properties would gladly be returned in accord with mutual Dutch-Indonesian interests in economic rehabilitation. However, Dr. Gani stipulated that as an assurance of Dutch good intentions all Dutch troops be withdrawn in advance from the areas in Java and Sumatra which the Netherlands Government had recognized as *de facto* Republican territory, according to Article I of the Agreement.

The Dutch in turn replied that since final *de jure* responsibility rested with the Netherlands throughout Indonesia—pending the formation of the sovereign U.S.I.—and since they had doubts as to the Republic's willingness and ability to implement Article 14, they would not withdraw their troops until all foreign properties had been returned and were once more functioning normally under the management of their pre-war owners.

On this particular point the Dutch position was unacceptable to the Indonesian Delegation. Any attempt to attach the withdrawal of Dutch troops as a condition to the return of foreign properties to their pre-war owners would be irrevocably opposed not only by the *Benteng Republik* and the *Sajap Kiri* but by the S.O.B.S.I. labor combine. S.O.B.S.I. would and did regard all such conditions as incontestable evidence that the Dutch intended to use force to re-

store pre-war working conditions and economic servitude on estates and in factories.

Thus, endeavors to implement specific articles of the Agreement bogged down in a mire of circumlocutory mumbo-jumbo. From the Indonesian standpoint the situation was serious. Both the Djokjakarta Government and the two large political party blocs were becoming increasingly cool toward the discussions which Sjahrir was continuing with the Dutch in Batavia.

From the Dutch point of view, the situation was absolutely untenable. The political pressures which were being brought to bear on the Netherlands Government and the Commission General have already been referred to. The economic pressures were even more critical. No appreciable resumption of trade, and particularly of exports, had occurred in Indonesia during the two years since the re-occupation. Exports of petroleum products from the Indies had averaged more than 500,000 tons per month in 1940. In 1946 and the first half of 1947 there were no exports of petroleum products whatsoever. In 1940, rubber exports had been at the rate of over 40,000 tons per month but during the twenty months of British and Dutch occupation exports had never averaged more than 15 per cent of this figure. The expenditure of more than 3,000,000 guilders a day—roughly 1,000,000 United States dollars—for the maintenance of the Dutch armed forces, was exhausting the Netherlands' finances. The foreign exchange—and particularly dollar—balances to which the Netherlands Indies Government had access were critically low, and during April and May the Foreign Exchange Control Bureau of the Netherlands Indies Government was literally closed to all business involving applications for dollar allocations to finance imports.

As time passed, economic rehabilitation in the self-sufficient Republican areas proceeded slowly, but the fact is that it *did* make some progress.<sup>9</sup> On the Dutch side, the longer the Linggadjati Agreement failed to be implemented, the weaker grew the economic position. Loss of time was a critical liability for the Dutch, and a subtle asset for the Republic.

Under the joint pressures of economic and political influences, Prime Minister L. J. M. Beel and the Minister of Overseas Territories, J. A. Jonkman, flew to Batavia in the middle of May for decisive conferences with the Commission General. By this time Dr. van Mook himself had been convinced that, under the economic

<sup>9</sup> See pp. 73 ff.



exigencies of the situation, force would almost certainly have to be used. Only Schermerhorn, the chairman of the Commission and the leader of the Labor Party, held out for continued discussions, and Schermerhorn's support was necessary if military action were not to signify the dissolution of the Catholic-Labor coalition and the fall of the Beel Government.

By the time Beel and Jonkman returned to Holland in the last week of May, Schermerhorn too had agreed that if a final set of Dutch proposals were not accepted by the Republic in full, he would not oppose any subsequent action which the Government might deem advisable.

Just after the departure of Beel and Jonkman, before one observer left Batavia at the beginning of June 1947, a Dutch spokesman in the Government Information Service in Batavia remarked to him:

"It is too bad you are leaving at this time. You have seen the Dutch cowering for a year and a half now; if you were to wait just a little longer, you would see what we can *really* do." He left little doubt as to his meaning.

By the beginning of June, the Dutch decision to resort to military action had evidently been made. The question was no longer *whether*, but *when*. The only likelihood of a change in plan lay in foreign intervention and the foreign intervention which was later made was neither strong enough nor far-reaching enough to deter the Dutch permanently from acting upon the resolve they had taken by the beginning of June.

#### LAST PROPOSALS AND COUNTERPROPOSALS

On May 27, the Commission General presented its "final" proposals to Sjahrir. The document of approximately 10,000 words had four main provisions.

In the first place, it provided for the immediate formation of a supreme "Interim Federal Government" to govern Indonesia until the establishment of the projected U.S.I. by January 1, 1949. According to the Dutch proposal, the Interim Government would consist of representatives of "the various political entities in Indonesia,"<sup>10</sup> as well as the "Representative of the Crown." In view of the continuing *de jure* sovereignty of the Netherlands until January 1, 1949, the Crown's Representative was to be at the helm of the Interim

<sup>10</sup> Quoted from Appendix I, paragraph 1 of the Commission General's proposals of May 27. The term "various political entities" refers to the Republic, East Indonesia, and West Borneo.

Government in "a special position with power of decision."<sup>11</sup> The Interim Government was to be charged with the formation and direction of all federal organs and departments which eventually would take their place in the sovereign U.S.I.

Secondly, under the Interim Government the foreign relations of Indonesia were to be handled by a Council for Foreign Affairs, consisting of two Republican representatives, one representative each from East Indonesia and Borneo, and the representative of the Far Eastern Branch of the Dutch Foreign Office, who would be chairman of the Council.<sup>12</sup> A sort of joint top-level control of foreign relations by the Supreme Interim Government, on the one hand, and the Minister of Foreign Affairs in the Hague, on the other, was envisioned.

In the third place, to implement and enforce a complete cessation of hostilities, to demilitarize the perimeter areas separating the Dutch and Republican forces, and to maintain security, a "Joint Directorate of Internal Security" under the Supreme Interim Government was called for.<sup>13</sup> The Directorate, consisting of "a number of civilian and military authorities, Dutch as well as Indonesian," was to have control over a "joint Indonesian-Dutch gendarmerie" in which there would be equal contingents of Dutch and "Indonesian" troops.<sup>14</sup> Moreover, the Directorate—through its military arm, the joint gendarmerie—was to be empowered to maintain law and order throughout the archipelago, presumably wherever and whenever it was deemed necessary.

Finally, a joint economic Administrative Council was to be set up under the Interim Government. This Council was to consist of Dutch, Republican, East Indonesian and West-Borneo representatives as well as the president of the Netherlands-owned Java Bank, and was to have jurisdiction over all matters of export, import and foreign exchange. Decisions concerning economic matters were to be by unanimous vote. In case of a failure to reach unanimity, the supreme Interim Government was to decide.<sup>15</sup>

The Commission General left no doubt as to the finality of these proposals. In a closing note, Dr. van Mook wrote:

<sup>11</sup> *Ibid.* Quoted from Appendix I, paragraph 2.

<sup>12</sup> *Ibid.*, Appendix II, paragraph 2.

<sup>13</sup> *Ibid.*, Appendix III, paragraphs 2 and 3.

<sup>14</sup> *Ibid.* "Indonesian," rather than "Republican" forces were referred to in Appendix III. Presumably, the implication was that the "Indonesian" forces in the joint gendarmerie would be derived from East Indonesia and Borneo, as well as the Republic.

<sup>15</sup> *Ibid.*, Appendix IV, paragraph 1.

"... The Commission General considers itself bound to demand that a reply to these proposals be given by the Republican Delegation within fourteen days. In case this answer is in the negative or unsatisfactory, the Commission-General sees to its regret no possibility of continuing the discussions and will have to submit to the Netherlands Government the question as to what is to happen further."<sup>16</sup>

From the Dutch point of view, considering the exigencies of the moment and the critical economic need for an immediate resumption of exports to replenish the exhausted Dutch exchequer, the proposals of May 27 were reasonable, fair, and concrete. There is little question but that these proposals represented a sincere attempt to end the diplomatic impasse, and to implement the Linggadjati Agreement *according to the Dutch interpretation of that Agreement*. Unfortunately, however, the Dutch interpretation was no closer to the Republican interpretation on May 27, than it had been two months before.<sup>17</sup>

From the Republican standpoint, the lengthy document was subject to grave suspicion, particularly when viewed in the light of the events of April and May. The Republican Delegation was acutely aware of the new strong-line policy of the Commission and particularly of Dr. van Mook's concurrence. Sjahrir had conferred with Jonkman before the latter's departure and knew of the likelihood of a use of force by the Dutch. No one knew better than he what the Dutch frame of mind was which had produced the proposals of May 27. Consequently, both Sjahrir and his Cabinet had grave suspicions of these proposals, and the clear evidence that they were intended as an ultimatum did little to allay these suspicions.

In the first place, the proposals began with the statement that "future federal matters and . . . the organization of federal departments . . . will be handled in cooperation between the Netherlands Indies Government and the various political entities of Indonesia."<sup>18</sup> According to the Republic, the "spirit" of Article II of Linggadjati, which called for "cooperation between the Netherlands and the Republic in the formation . . . of . . . the sovereign, federal . . . U.S.I.," was gone. In place of cooperation between the Netherlands and Republican Governments, there now was to be cooperation between the Netherlands representatives and the "various political entities of Indonesia."

<sup>16</sup> Quoted from Official Text of Memorandum of May 27, 1947.

<sup>17</sup> See pp. 44-6.

<sup>18</sup> Quoted from Appendix I, paragraph I, May 27 Memorandum.

As has already been pointed out, the Republic's interpretation of "cooperation" involved co-equal status with the Netherlands in the setting up of the U.S.I. According to the Republican concept of "federal," as used in the Linggadjati Agreement, the primacy of the Republic over the other political entities in all federal matters—by virtue of its size and population—was not to be denied. The new phraseology signified to the Republican Delegation an attempt to deny its co-equal status with the Netherlands in the setting up of the future U.S.I. It also implied a strong possibility that the Republic's voice in federal matters might be drowned in the din of the Dutch-dominated voices of the other "political entities."

These were the broad disagreements which still divided the two delegations. More specifically, the Republic had strenuous objections to the projected Internal Security Directorate which, Republican leaders feared, might be used as a means for heavily-armed Dutch troops to gain access to Republican territory. Furthermore, they foresaw that the joint gendarmerie would constitute a violation of the *de facto* internal authority of the Republican Government, and that the Dutch contingent of the gendarmerie could be used to re-establish the pre-war colonial conditions which some Dutch estate and factory owners might still hope to restore.

Furthermore, the economic clauses of the Dutch proposals were considered to offer no guarantee that the Republic would receive a suitable proportion of foreign exchange allocations commensurate with her export contributions and her import requirements. Exports from Republican territories might, thus, be used to further economic recovery in the Dutch-dominated areas of East Indonesia and Borneo rather than in Java, Sumatra, and Madura.

Finally, the Republican leaders suspected that the supremacy of the Crown's representative in the Interim Government, and of the Dutch Foreign Office in the conduct of the Interim Government's foreign Relations, might conceivably be used to weaken the Republic's position not only in the future U.S.I., but abroad as well.

These were the major objections which the Republic had to the final Dutch proposals of May 27. They underscored the basic cleavage between the two delegations—particularly with respect to the crucial issues of "federalism" and "cooperation"—which had existed at Linggadjati and which still existed at the end of July when the final outbreak of hostilities occurred.

In Djokjakarta, both the *Sajap Kiri* and the *Benteng Republik* immediately rejected the Dutch proposals, almost unanimously. Re-

turning to the Republican capital for an emergency session of his Cabinet, Sjahrir hastily drafted a rough and somewhat vague set of counterproposals in an attempt to comply with the Dutch ultimatum and stave off the breakdown which both sides now expected.

On June 8, the Republican answer was handed to the Commission General in Batavia.

The Republican counterproposals of June 8 accepted the principle of an interim government. However, in accord with the Republic's interpretation of Linggadjati, the counterproposals attached so many conditions and qualifications to the Dutch proposals of May 27 as to constitute a virtual rejection of the Commission General's note. In point of fact, the counterproposals were intended as an agenda for discussion, although no one knew better than Sjahrir that the Dutch in Batavia were in no mood for further discussion.

Realizing this fact still more clearly after his return to Batavia, and realizing that as the Republican counterproposals then stood hostilities might well break out before further discussions had a chance to materialize, Sjahrir undertook to make more direct concessions supplementary to the June 8 note. In a letter to the Commission General on June 20, and an explanatory memorandum of June 23,<sup>10</sup> he went as far as he felt the Republic could go towards meeting the Dutch proposals, while still adhering to its basic interpretation of the Linggadjati Agreement. In quick order, he now agreed to recognize the *de jure* "special position" of the Crown's Representative in the Interim Government; and he agreed to the organization of the Council for Foreign Affairs, as the proposals of May 27 had suggested. Referring to the economic aspects of the Dutch proposals, Sjahrir asked for supplementary discussions on those points but expressed the opinion that differences in viewpoint concerning them could be resolved.

Finally, he reiterated the Republic's stand that any arrangements concerning a Directorate of Internal Security to which the Republic might agree would not affect the fact that "maintenance of law and order in Republican territory should be first and foremost the duty of the Republican Government."<sup>20</sup>

Sjahrir well knew the gravity of the situation. He was acting in

<sup>10</sup> Coincidentally, Sjahrir's letter of June 20 crossed a letter to him from Professor Schermerhorn in which the Commission General rejected the Indonesian counterproposals of June 8 and stated that "The Commission General has . . . come to the conclusion that the Republican note [of June 8] does not offer any opportunity for further negotiations."

<sup>20</sup> Quoted from Sjahrir's letter of June 23, 1947. See Appendix, p. 179.

what he considered a last hope of preserving peace, and of resolving the differences between the two sides by negotiation instead of by force. In hastily drawing up these maximum concessions, Sjahrir was taking an initiative which was too far ahead of the leaders in Djokja who were not fully aware of the situation in Batavia.

Returning to Djokja with serious doubt that even these last concessions would stave off conflict, Sjahrir was confronted with strong opposition to his policies. On June 25, Dr. Soekiman—the head of the *Masjoemi* party—stated that it was “very possible that the *Masjoemi* would attempt to oust Sjahrir.”<sup>21</sup> P.N.I. and *Masjoemi* opposition to the latest concessions was strong, and on June 26, the *Sajap Kiri* bloc, which had provided the K.N.I.P. support for Sjahrir’s Government, also voted its disapproval of the June 20 and June 23 concessions.

After an all-night session with the *Sajap Kiri*, and with his Cabinet, Sjahrir tendered his resignation and that of his Cabinet to Soekarno on the morning of June 27. The *Sajap Kiri*’s vote of no-confidence had made his position untenable.

Within nineteen hours of Sjahrir’s resignation, the *Sajap Kiri* reversed itself and announced that it would support his policies and seek to reinstate him. *Sajap Kiri*’s extraordinary reversal came partly as a result of its unwillingness to have Sjahrir dropped from the Government and from the negotiations which he had led for twenty months, and partly from an increasing awareness in Djokjakarta of the extreme seriousness of the situation with which Sjahrir had been trying to cope.

The arrival of an *aide mémoire* from the United States Government to the Republican Government strengthened the resolve of both the *Sajap Kiri* and President Soekarno to seek Sjahrir’s return to office, although actually the United States note arrived in Djokjakarta after the *Sajap Kiri* had already reversed its earlier stand and had decided to support Sjahrir.

The *aide mémoire* itself, which presumably had been despatched from Washington to strengthen Sjahrir’s position at home, arrived in Djokja late in the evening of June 27. In it,<sup>22</sup> the Republic was urged “to cooperate without delay in the immediate formation of an interim federal government,” as Sjahrir had already agreed to. Furthermore, the note promised that “after the interim government shall have been established, and mutual cooperation along a con-

<sup>21</sup> Associated Press despatch, June 25, 1947, Djokjakarta.

<sup>22</sup> See Appendix, pp. 180-81.

structive path assured, the United States Government (will) . . . discuss, if desired, with representatives of the Netherlands and the interim government (including representatives of the Republic and other constituent areas) financial aid to assist the economies and rehabilitation of Indonesia."

The prestige and power behind the Government which sent the note of June 27, together with the enticing promise of financial aid which neither side could afford to overlook, were probably the major factors which prevented a launching of military action by the Dutch after Sjahrir's resignation.

Despite the United States' note and requests by both President Soekarno and the *Sajap Kiri* that he return to office, Sjahrir decided against it. Even with the U.S. note, Sjahrir felt that there was almost no possibility of peaceful compromise, and that under the circumstances hostilities might be postponed, but were nevertheless bound to occur eventually. That a political stratagem also was involved in his refusal to return is possible, as has already been pointed out. If hostilities were to break out, Sjahrir was not the best man to lead the Republic. His possible service as an international ambassador to plead the Indonesian case before the world would, on the other hand, unquestionably be a great asset to the Republic in case it was needed. By a decree of President Soekarno on June 30, Sjahrir was made "special Adviser to the Government," and his use in this diplomatic capacity was foreshadowed.

Three days later, Amir Sjarifoeddin was appointed Prime Minister by President Soekarno, to head a Coalition Government with the backing of the *Sajap Kiri*, the progressive wing of the Islamic party, and the P.N.I. The support of this last party was assured by the appointment of its chairman, Dr. Gani, as Deputy Prime Minister, and the support of the *Sajap Kiri* was strengthened by the appointment of the head of the Labor Party, Setiadjit, as second Deputy Prime Minister.

During the six-day hiatus between Sjahrir's resignation and Sjarifoeddin's appointment, Soekarno had assumed all powers as the Constitution authorized him to do in times of emergency. On June 27, immediately after Sjahrir's withdrawal, Soekarno addressed a note to Dr. van Mook stating that "the Republican Government agrees entirely with the declaration by the Republican Delegation . . . in its letter of June 23."<sup>23</sup> It was clear that with or without Sjahrir as Prime Minister, the Republic had decided to adopt the policies and

<sup>23</sup> Quoted from President Soekarno's note of June 27, 1947, paragraph 6.

concessions which he had already undertaken. There was thus no change in the Republican attitude during the six days that Soekarno personally handled negotiations with Batavia, or during the eighteen days that Sjarifoeddin carried on, before the outbreak of hostilities.

In Dr. van Mook's reply on June 29, the Lieutenant Governor General referred to the "unclear" agreement on certain points which had been reached, and the "doubt" which the Dutch Government still entertained concerning other points. In this note, Dr. van Mook once more tersely reiterated the fundamental points in the original Dutch memorandum of May 27 and reasserted the "final responsibility" which the Joint Directorate for Internal Security—and its joint gendarmerie—would have for the maintenance of "order, safety and political freedom" throughout the archipelago. Finally, Dr. van Mook called for "explicit and public deeds" on the part of the Republic to prove its amicable spirit. The "public deeds" explicitly called for were the "cessation of hostilities, by which is meant the . . . construction of fortifications" <sup>24</sup> and the discontinuance of the Republic's "foreign relations." The strong note of June 29 ended with an ultimatum that the Republic must express full agreement and take action upon all the Dutch points within one week.

As Dr. van Mook's note of June 29 indicated that the Dutch would not go beyond the proposals of May 27 and the interpretation of Linggadjadi behind them, so the reply of the new Prime Minister, Sjarifoeddin, on July 5, showed plainly that the Republic's final position was and would remain that of Sjahrir's note of June 23 and of the Republican conception of what had been agreed at Linggadjadi.

During the next two weeks, Sjarifoeddin and van Mook exchanged a number of memoranda in which the latter reiterated his demand for a dissolution of Republican foreign relations and for a cessation of hostilities, and held to the position that the Security Directorate must be supreme. Sjarifoeddin reaffirmed the Republic's primary right to exercise the police function in its own territory, refused the "explicit and public deeds" which van Mook had called for—until such time as agreement had been reached—and called upon the Dutch to reduce their armed forces commensurate with a reduction in T.R.I. strength as an expression of "mutual trust" and good will.

During most of this period Sjarifoeddin remained in Djokja as he feared an outbreak of hostilities at any moment, and the negotiations

<sup>24</sup> Quoted from Dr. van Mook's letter of June 29, 1947.



and memoranda were transmitted through Gani or Setiadjit in Batavia. On July 18, the discussions between van Mook and Gani broke off. Two days later Gani was placed under house arrest, and Beel authorized van Mook to take "police action," at the latter's recommendation. On July 21, Dutch troops moved out, and hostilities began.

And yet, when hostilities started, the two sides had come closer to agreement on some of the original points of May 27 than ever before. The principle of an Interim Government to rule Indonesia until the formation of the U.S.I. had been agreed upon. The *de jure* special position of the Crown's Representative in the proposed Government, and the projected Council for Foreign Affairs had both been accepted. On some other points, the two delegations were still as far apart as they had been when the final Dutch proposals were made. The Directorate of Internal Security and the Joint Gendarmerie were no closer to mutual acceptability by the two sides. The Republic adamantly refused to discontinue its independent foreign negotiations and relations and its construction of fortifications, road blocks, and land mines, as long as the tense situation existed. On the other hand, under the current conditions the Dutch refused to diminish or withdraw their forces in the *de facto* Republican bridgehead areas in Java and Sumatra.

Behind the progress towards agreement which had been made on some issues and the failure to reach agreement on others, the cleavage between the two delegations had remained. On the essential problems of federalism and cooperation, the Republic and the Netherlands were hardly any closer on July 28 than they had been four months earlier. The Dutch still contended that the term federal meant a political equality among states which actually were no more equal than Yemen and Pakistan. The Republic still clung to the position that the term cooperation, as used in the Linggadjati Agreement, implied a co-equal status between the Republic and the Netherlands in the setting up of the United States of Indonesia and of its constituent parts—East Indonesia and Borneo.

There is little doubt that the United States note of June 27 was the main factor which postponed the outbreak of hostilities until July 21. And yet, the United States note also failed to recognize the vital fact that what separated the two sides was not a single issue—either on June 27 or on July 18—such as the position of the Crown's Representative question first, and the Joint Gendarmerie question later, seemed to be. These were symptoms, not the disease. The disease

was the inability of the two sides to arrive at a common interpretation of the original Linggadjati Agreement; or perhaps—back of this—the deep-seated distrust which each side maintained toward the other.

As the Dutch Ambassador Dr. Eelco van Kleffens admitted before the Security Council on July 31, when the Indonesian question came up for discussion: "Let it not be said that this [military] action was merely undertaken because we still continued to differ over one point in connection with the execution of the terms of the Linggadjati Agreement—namely the constitution of a joint gendarmerie."<sup>25</sup> Dr. van Kleffens knew that more basic differences were at issue—differences which could hardly be resolved by force.

<sup>25</sup> Quoted from the address made by Dr. van Kleffens before the United Nations Security Council on July 31, 1947.

## CHAPTER EIGHT

### *MILITARY ACTION AND THE ROLE OF THE SECURITY COUNCIL*

On the stroke of midnight, July 20, 1947, after Dr. van Mook had advised the Republic that "the Netherlands Government . . . will take such measures as will make an end to this untenable situation,"<sup>1</sup> Dutch troops launched extensive operations from their main bridgeheads in Batavia, Bandoeng, Semarang and Soerabaja in Java, and Medan, Palembang and Padang in Sumatra.

The same political motives and pressures which had led to the ultimatum of May 27, after the visit of Dr. Beel and Mr. Jonkman, lay behind the action of July 21. The same economic conditions which had made the post-Linggadjati situation untenable for the Dutch and had required decisive action on May 27, now lay behind the even more drastic action of July 21. Dutch patience had been exhausted by the protracted and dilatory negotiations which produced some results on paper, but few in practice. Dutch nerves had been frayed by the perpetual suspicion with which every Dutch suggestion was received by the Republic. Sjahrir and Sjarifoeddin did not have a broader mandate from Djokjakarta to conduct negotiations than the Commission General had from the Hague. Consequently, they were continually obliged to refer final decisions on vital matters back to the central Government in Djokja. The Dutch felt that this procedure had been used as a tactic to prolong negotiations and to weaken the Dutch economic position. When Dutch troops finally began their "police action," Dutch military strength was at a peak, but Dutch economic resources were at rock bottom.

It is not the author's purpose to judge whether Dutch motives justified the action of July 21. There is, however, one vital factor which cannot be ignored. The Linggadjati Agreement had provided that:

<sup>1</sup> Quoted from Dr. van Mook's memorandum to the Republican Government, July 20, 1947. See Appendix, p. 173.

"The Netherlands Government and the Government of the Republic of Indonesia shall settle by arbitration any dispute which might arise from this agreement and which cannot be solved by joint consultation . . . between those delegations. In that case, a chairman of another nationality with a deciding vote shall be appointed by agreement between the delegations or, if such agreement cannot be reached, by the President of the International Court of Justice."<sup>2</sup>

The drafters at Linggadjati had, thus, not only envisioned the possibility of difficult problems arising from the Agreement itself, but also had provided a mandatory means by which these problems might be peaceably resolved. The basic differences which still separated the two sides on March 25, after the signing of the Agreement, and on July 21 were substantially the same. As has already been emphasized, these differences stemmed from the fundamentally different interpretations which the Republic and the Netherlands attached to the concepts of "federalism" and "cooperation," as used in the Agreement. The failure to reach agreement over these two issues had augmented the distrust and ill-will on both sides in the four months following Linggadjati.

According to the Linggadjati Agreement, the Netherlands Government had committed itself to the procedure of arbitration by a third party in case any disputes should arise which could not be resolved by the Commission General and the Republican Delegation. Both the Republican press and the Delegation had repeatedly called attention to this clause of the Agreement during the months following the signing, when it became clear that despite progress on particular points of difference the interpretive gaps between the two parties remained as broad as ever. The Dutch repeatedly justified their claim that the arbitration clause did not apply on the ground that the disputes in question had not actually *arisen* from the Agreement itself. To others this seemed hair-splitting sophistry.

The disputes in question could no more be dissociated from the Agreement than a person can be dissociated from his environment. The Agreement itself provided the environment, the point of reference of the disputes, and they were thus intimately connected with it. *Post hoc* rationalization as to which came first, the disputes or the Agreement, was neither rewarding nor relevant. When military action began, the Dutch had as yet made no attempt to avail themselves of the arbitration procedure for peaceful settlement, to which they were already committed.

<sup>2</sup> Quoted from Article XVII, Paragraph B of the Linggadjati Agreement. See Appendix, p. 178.

## VAN MOOK TURNS THE WHEEL

The political scope of the original action of July 21 was not clear. Dr. van Mook had stated in a memorandum to the Republican Government on July 20 that the action was undertaken to end "an untenable situation" and to "create conditions of order and safety which will render possible the execution of the . . . program . . . expressed in Linggadjati." He also stated, in the same memorandum, that "the Netherlands Government can no longer consider itself bound, in its dealings with the Republic . . . by the Linggadjati Agreement."<sup>3</sup> In a statement to the press the following day, he again stated that "the Netherlands Government . . . does not consider itself bound any further by the Agreement, and retakes its freedom of action."<sup>4</sup>

On the other hand, Dr. Beel stated on July 20—in a radio broadcast in which he announced that the Lieutenant Governor General had been authorized to take "police action"—that "the Government will continue to adhere to the principles of Linggadjati . . . and these principles will also retain their full meaning with regard to the Republic."

The divergence in the two views indicates that there may have been an element of opportunism in the Dutch action. On August 26, at a ceremony in Samarinda, Borneo, Dr. van Mook recognized the new "autonomous" territory of East Borneo as a prospective part of the United States of Indonesia. At the same time, he expressed the "hope" that a similar development might be expected in West and East Java, in the Palembang area of South Sumatra, and in the Medan area of the North East Coast of Sumatra. Since these territories were parts of the *de facto* Republican areas recognized by the Linggadjati Agreement, Dr. van Mook's implication was clear. These areas had all been occupied by Dutch troops since the outbreak of "police action." As he saw it, the Dutch had regained their freedom of action and were no longer bound by Linggadjati. In the circumstances, it was not unlikely that an attempt would be made to set up separate states in these regions, which would then be detached from the Republic. Later events proved that this possibility was

<sup>3</sup> On August 2, the Republican Government announced from Djokjakarta that, in consequence of the unilateral breaking of relations by the Dutch, the Republic also no longer considered itself bound by the Linggadjati Agreement as a member state in the future U.S.I. According to the announcement, the Republic considered that it had regained freedom of action, and it intended to use that freedom to take its place as a sovereign state in the world family of nations.

<sup>4</sup> Quoted from release of the Netherlands Information Service, Batavia, July 22, 1947.

seriously considered by the Dutch authorities. Such a policy of divide-and-rule would not be unique. However, there are reasons to doubt that it will be applied, or could succeed if it were. These reasons will be taken up later on.

Dr. van Mook's personal role in the course of events since May 27 has been interesting. As the liberal mentor behind the Linggadjati Agreement, on the Dutch side, van Mook showed initiative and restraint throughout the protracted negotiations. Despite harsh criticism and accusations from right-wing groups in Holland, he had advocated a peaceful and gradual transition to a new order. He had been in the forefront of those who realized and argued that the end of colonialism had come, and that a new pattern of organization must be found for the former colonial areas. Compared with the pre-war Governor Generals, van Starckenborgh and de Jonge, van Mook was regarded in the Netherlands as an extreme progressive.

However, after May 27, Schermerhorn—not van Mook—became the main advocate of moderation and restraint. Van Mook, instead, had come out for an increasingly strong policy toward the Republic. It is no coincidence that almost all the "strong" notes from the Commission General to the Republic—during the period from May 27 to the final notification of hostilities on July 20—were signed by van Mook and not by the chairman of the Commission, Professor Schermerhorn. Furthermore, after the outbreak of hostilities, it was van Mook who bitterly condemned the Republic and plainly suggested a break-up of its territories.

The reasons behind this apparent change of heart are somewhat obscure. Though an idealist, van Mook had become discouraged by the course of events after the signing of Linggadjati. The Agreement which he had worked so long and so hard to formulate, and for which he had sustained harsh criticism in Holland, seemed to be coming to naught. Distraught and disappointed by this criticism and by the recurrent difficulties in the way of implementing the Agreement, van Mook evidently decided that he could implement it more effectively on a unilateral basis, than on the bilateral basis of its conception and dedication. There is little doubt that, in van Mook's own mind, the action of July 21 in no way constituted an attempt to restore colonialism.

Van Mook is a man of principle. Regardless of the integrity of his original motives, however, his later actions and public statements showed the fallacy of his own thinking. A bilateral agreement cannot be implemented unilaterally. Any attempt at unilateral action, how-

ever sincerely undertaken, violates the spirit of the agreement and leads to an opportunistic violation of the letter as well.

### MILITARY OBJECTIVES

Despite the haziness of the political scope of the Dutch action, its military aims were fairly clear. The "limited police measures" which the Dutch now undertook were neither "limited" nor "policing" in the usual sense of those words. They constituted full-scale military action, employing large numbers of troops, airplanes and tanks, with extensive and specific military objectives.

The first of these objectives was to meet and destroy the T.R.I. and its irregular constituents, the *Laskar* and the *Banteng* forces. The second was to isolate the Republic in as small an area as possible in Central Java. This was to be accomplished by land and sea operations from Batavia, Soerabaja, and Semarang along the North-east Coast of Java, with the ports of Laboen, Cheribon, Indramajoe, Tegal, Probolinggo and Bandjoewangi as the major goals. From Bandoen and Cheribon, after its capture, drives were to be directed to the South in order to take the only port on Java's South Coast, Tjilatjap, and to slice West Java from the Republic. From Soerabaja a drive to the South Coast was to complete the isolation of the Republic by severing East Java from Central Java. Finally, if the political situation made it possible to drop the pretext of "limited" action, a drive might be made from Semarang through Salatiga to the Republican capital, Djokjakarta, in Central Java.

In Sumatra, the military objectives were considerably more limited, mainly because of the smaller forces which the Dutch had stationed there. The action in Sumatra envisioned an extension of the Dutch bridgeheads of Medan in the Northeast, Palembang in the South, and Padang in the West. As a result of this action, the Dutch expected to regain possession of the rich estate areas on Sumatra's east coast, and of the Standard and Shell oil fields forty miles outside Palembang.

To accomplish these objectives, the Dutch had about 109,000 troops in Indonesia at the end of July, under the command of Lt. General S. H. Spoor. They comprised a strong, disciplined, well-equipped, mobile and mechanized force with adequate first-line air and naval support, but with a relatively small store to replace damaged or lost equipment. Their morale was generally excellent. The author talked with many of the officers and men, both in Batavia and at hill stations in Java, from the time they began to arrive in

the Indies during the spring of 1946 until a month before the outbreak of hostilities. They seemed ready and anxious to fight and became more so as time went on. Their theory was that fighting had to come sooner or later: the sooner it began the sooner it would be over, and the sooner they could return home. Without exception, they felt that the military issue would be settled within a few weeks by the complete destruction of the Indonesian forces. The confidence of the Dutch army just prior to the outbreak of hostilities was boundless. It is not improbable that this was a strong factor influencing the final decision to take military action. This over-weening confidence was surprising in the light of the information which the army must have had concerning the military and political position of the Republic, as well as concerning the experiences of the French military forces during the previous year in Indo-China against the Viet-Nam guerrilla forces.

To oppose the Dutch action, the Indonesians had three weapons. In the first place, there was the military arm. The T.R.I., under the command of General Soedirman, comprised a total force—including both the regular and irregular units—of approximately 200,000 troops, of which 150,000 were in Java and 50,000 in Sumatra. This combined force, which still bore the clear markings of the Japanese model from which it was constructed, possessed an armament of about 150,000 rifles, and something under 5,000 small arms, machine guns, and mortars, as well as unknown quantities of home-made grenades and land mines, and several small munitions factories. A token air force of no more than forty Japanese Zero fighter planes and bombers rounded out the Republic's military strength. Actually, Air Commodore Soeriyadarma's main source of worry was a lack of pilots, rather than of planes, since he commanded only about half as many qualified pilots as planes.<sup>5</sup>

The T.R.I. was definitely not a mechanized, modern striking force. It was not the sort of army which could stop the Dutch mechanized columns in open combat, and it made very few attempts to do so. It was, however, a trained if unseasoned force. It could harass, counterattack, lay land mines, and blow up bridges. The T.R.I. could not prevent rapid and large-scale initial advances by the highly mobile Dutch army and marine units, but it could wage a long guerrilla war of attrition, and, in the long run, it might prevent the Dutch from capitalizing on their advances. It could retreat to the

<sup>5</sup> Most of the Republic's few pilots had seen service in the Dutch Air Force during the war and had received their training with it in the United States or in Australia.



hills and natural hideouts in which Java and Sumatra abound. It decentralized its command in preparation for a long and scattered war. The *Laskar Rajat* and the *Barisan Banteng* were placed on their own in preparation for the type of localized guerrilla warfare which these units were well-adapted to prosecute.

In Indo-China, 160,000 Vietnamese guerrilla troops with no more than 50,000 rifles had been able to stalemate over 110,000 French troops, with aerial and mechanized support, from the spring of 1946 through the summer of 1947. The French had taken all the important ports and cities, but no white man could venture outside the cities without an armed escort. French patrols had periodically been ambushed, and communication lines were continually harassed. Economic rehabilitation and production had been effectively blocked. This had all been accomplished with less than 35 per cent of the fire power which the Republic had at its disposal. It was this kind of long and indecisive warfare for which Soedirman was making plans.

Secondly, the Indonesian Government announced its intention of following a scorched-earth policy in the course of its initial retreats, in order to prevent stockpiles of sugar, rubber, cinchona bark, hard-cordage fibers, coffee, and tea from falling into Dutch hands. The S.O.B.S.I. labor organization was particularly active in the execution of this policy; its members inflicted heavy damage on Malang, Tjilatjap, Probolinggo, and several West Java cities before they were taken by the Dutch forces. According to the Government's policy, the S.O.B.S.I., in collaboration with the T.R.I., was to enforce the scorched-earth policy and to concentrate on such other tactics of "economic warfare" as might later be necessary to delay and obstruct economic rehabilitation in the areas occupied by the Dutch.

At the outbreak of Dutch military action, stockpiles of from 200,000 to 600,000 tons of sugar, approximately 1,500 tons of cinchona bark, over 6,000 tons of hard-cordage fibers, and indefinite quantities of rubber, tobacco, and tea were on hand in Republican areas, accumulated since 1942. It is impossible to estimate how much of this valuable produce was actually burned, how much was captured by the swiftly-moving Dutch forces, and how much was removed to or retained in Central Java, when the Security Council's first cease-fire order was issued on August 1. While it is certain that substantial quantities were lost, it is likely that the rapid movement of the Dutch forces and the speed of the Council's cease-fire order com-

bined to prevent a complete execution of the Republic's scorched-earth plans.

The final, and probably strongest, weapon in the Republic's hands was the diplomatic and psychological support it could elicit abroad, as the victim of an attack which appeared to aim at the restoration of colonialism. President Soekarno and Prime Minister Sjarifoeddin lost no time in presenting their case to the world in this light. Following the outbreak of hostilities, the Djokjakarta radio carried their pleas to the United States, Great Britain, India, Pakistan, Australia and "to Indonesia's friends throughout the world" to halt the conflict in the interest of the freedoms proclaimed and recognized by the United Nations Charter.

The primary diplomatic aim of the Republic was to have the whole subject placed on the Security Council's agenda. While the T.R.I. prepared for a long guerrilla war, the Republican Foreign Office intensified its efforts on the international scene. The friendships which the Republic had cemented abroad after Linggadjati were to be of great importance to the Indonesian cause. Machiavelli had certainly not played on one side alone!

In Cairo, Hadji Salim held hurried conferences with the Arab League states. Plans were discussed for having one of the League members introduce the Indonesian question to the Security Council. Contact was established by the Hadji with the Secretary General of the League, Abdul Rahman Azzam Pasha in New York, and although the League did not bring the subject to Lake Success, the Republic was to have a strong friend on its side from this source.<sup>6</sup> Syria's delegate on the Council, Faris El Khouri, was at the time chairman of the Council and thus in a strategic position to expedite handling of the matter when it was introduced.

In Canberra, Dr. R. Oesman, an official of the Republican Ministry of Foreign Affairs, made a direct appeal to the Australian Prime Minister J. B. Chifley on July 24, to bring the hostilities in Indonesia to the attention of the Security Council. Relations between Australia and the Republic had been very close in Batavia. In the early part of June, Dr. Oesman had gone to Canberra from Java to discuss certain aspects of these relations with the Australian Minis-

<sup>6</sup> While supporting the Indonesian case through Syria's delegate when the question came to Lake Success, the Arab League did not seem anxious to introduce the subject itself. The probable reason was that Egypt's Prime Minister, Nokrashy Pasha, was preparing to introduce another colonial problem—that of the presence of British troops in Egypt and the Sudan—to the Council at precisely the same time.

try of External Affairs. Dr. Oesman's appeal brought concrete results for the Republic within a week.

Finally, on July 22, Soetan Sjahrir left Djokjakarta by plane as a sort of emissary-at-large, to plead the Indonesian case before the world and eventually before the Security Council. His first major stop was New Delhi, where he consulted with his friend, Jawaharlal Nehru. As a result of these consultations, Nehru issued a sort of Indian "Monroe Doctrine" decrying the use of any troops by a foreign power on Asiatic soil, and declaring India's opposition to colonialism in any form in Asia.<sup>7</sup> Moreover, he specifically condemned the use of force by the Netherlands, threatened a ban on all Dutch air traffic through India's important Calcutta air terminus, and called upon the projected Moslem state of Pakistan to issue a similar ban with respect to the Western air center at Karachi. After requesting both the United States and British Governments to take action, Nehru announced on July 28 that India herself would bring the subject of hostilities in Indonesia before the Security Council immediately.

Sjahrir's conferences with Nehru, and the results which they achieved, were significant not only for Indonesia but for the rest of the world as well. Nehru's statements were a bold and forceful indication of a growing fraternal self-consciousness among the former colonial states of Asia; a self-consciousness which may, conceivably, some day lead to an Asiatic power bloc stretching from Egypt in the West through Pakistan and India and Southeast Asia to Indonesia in the East, and the Philippines in the Northeast. The New Delhi Inter-Asian Relations Conference in the spring of 1947 was one formal indication of such a possibility. Nehru's public statements at the end of July were another.

Sjahrir's statements upon his arrival in India indicated that his moderate views on compromise with the Dutch had altered. He spoke, instead, of Indonesia "fighting to the last man" in the struggle against Dutch attempts to restore colonialism. Aside from the political and psychological reasons for these statements, there is little doubt that his personal views had stiffened. Throughout the twenty months' negotiations which he had led, Sjahrir clung to the belief that he could compromise with the Dutch without compromising the basic tenets of the Indonesian revolution, and that he could con-

<sup>7</sup> *Inter alia*, Nehru stated on July 21: "No European country, whatever it may be, has any right to set its army in Asia against the people of Asia. The spirit of the new Asia will not tolerate such things."

cede details without making any concessions to the restoration of colonialism.

From his standpoint, Dutch aggressive action had—temporarily at least—made it impossible to compromise any further without compromising the principles of the nationalist movement itself. Though a moderate, Sjahrir had decided that moderation was futile in an atmosphere of force. His strong public testimony before the Security Council clearly indicated this change in attitude.

#### APPEALS TO THE SECURITY COUNCIL

The Republic's diplomatic activities produced the immediate result at which they had aimed. On July 30, the Governments of Australia and India addressed formal letters to the Security Council. They called attention to the Indonesian situation and requested immediate action by the Council to deal with the hostilities which had already been in progress for ten days. The two requests differed on a technical matter.

In the Australian note, signed by Colonel William R. Hodgson, the Australian delegate to the Council, the Council's attention was drawn to "the hostilities . . . at present in progress between the armed forces of the Netherlands and the Republic of Indonesia." It went on to state that Australia considered these hostilities to constitute "a breach of the peace" under Article 39 of the United Nations Charter, and it urged the Council to take "immediate action to restore international peace and security." Colonel Hodgson's letter suggested that, "without prejudice to the rights, claims, or positions of the parties concerned," the Council should call upon these parties "to cease hostilities forthwith and to begin arbitration in accordance with Article XVII of the Linggadjati Agreement."<sup>8</sup> This was the first time that any case had been referred to the Council under Article 39 of the Charter, as constituting a breach of the peace.

The Indian note, signed by Nehru, approached the subject from the often-invoked provision of Article 34 of the Charter, covering "situations . . . endangering the maintenance of international peace and security," and authorizing the Council to take action in such cases. India called upon the Council to put an end to the situation in question, but did not recommend any concrete steps to be applied by the Council under the circumstances.

When the subject was placed on the Council's agenda on July 31,

<sup>8</sup> See Appendix, p. 178.

the Australian note carried precedence since its contention was that a breach of the peace had been committed, whereas the Indian note referred to a situation which endangered the maintenance of peace.

As soon as it was learned that the Council had received the Australian and Indian notes, the Netherlands Ambassador to Washington, Eelco N. van Kleffens, issued a public statement denying the Council's jurisdiction in the Indonesian dispute. Dr. van Kleffens, a shrewd and capable veteran of the Netherlands Foreign Office, contended that the case was an internal problem of the Netherlands and hence was not the concern of the Council. He referred to Article 2 of the Charter forbidding interference by the United Nations in the domestic affairs of any country, and he maintained that the "limited police action" which the Netherlands had undertaken within its own territory did not affect the peace or security of any other countries. The Council in effect decided, however, that the hostilities in progress did constitute a breach of the peace. Hence, enforcement measures by the Council to end such hostilities took precedence over the internal domestic aspects of the issue, under Chapter VII of the Charter. The decision meant that a conflict of the political and military magnitude of that in Indonesia required action by the enforcement body of the United Nations.

On August 1, with the three colonial powers on the Council—Great Britain, France, and Belgium—abstaining, the Council took action. In a dual resolution, it called upon the Netherlands and the Republic: "A) to cease hostilities forthwith, and B) to settle their disputes by arbitration or by other peaceful means, and to keep the Council informed about the progress of the settlement." The resolution was significant. Not only had the Council taken a concrete and affirmative action, but the resolution had witnessed the unusual spectacle of the United States and Russia voting together on an important matter at Lake Success.

Just prior to the Security Council's approval of the amended Australian resolution, the United States announced that it had offered its "good offices" <sup>9</sup> to both the Netherlands and the Republic to bring about a settlement of their dispute. In anticipation of Part (B) of the final resolution, the United States hope had been to extend its aid in bringing about a settlement outside the Council, so that the

<sup>9</sup> The term "good offices" implies simply that a third party stands ready to be of service in bringing two disputants together for discussions. It does not necessarily imply mediation, since the latter term connotes active participation in the discussions by the third party. Good offices may lead to mediation by the third party but need not necessarily have that result.

Indonesian question would not degenerate into a political football game between the two major power groupings in the Council.

The Dutch welcomed the United States offer, but the Republic used it as a means of renewing its requests for Security Council action and arbitration. From the Republic's point of view, the policy and sympathies of the United States with respect to Indonesia were unclear. Knowing that the United States must regard Indonesia not as a separate issue, but in relation to the evolving world situation and to the opposing alignment of American and Russian power in Europe, the Republic preferred to rely on a solution directed by the United Nations. The American offer was, therefore, accepted with qualifications. Later, it was rejected by Sjahrir at Lake Success, when the United States called for a clearcut yes or no reply. The United States thereupon announced that its offer of good offices had lapsed.

Three days after the Council had called upon both parties to halt hostilities forthwith, Dr. van Mook and Prime Minister Sjarifoeddin both announced the acceptance by their respective governments of the Council's order. Cease-fire orders were issued on both sides, to become effective midnight August 4. By that time, the Dutch forces had attained most of their territorial objectives in Java. No attack had materialized against Djokjakarta, but Republican Central Java had been cut off from West and East Java, and from the sea. In addition, the Dutch had established a bridgehead on the island of Madura to the Northeast of Java.

Strong resistance had been offered by the T.R.I. at only a few points. While inflicting several counter-attacks on the rapidly-moving Dutch forces, the T.R.I. had kept to its plan of harassing—rather than concentrated—opposition, and of saving its strength for the future. The Dutch objective of meeting and destroying the Republican forces was no nearer fulfillment when the cease-fire was given than it had been two weeks before. However, the initial territorial objectives had been almost wholly attained. The Dutch had come to within forty miles of Djokjakarta, but the possibility of an attack on the Republican capital had been at least temporarily abandoned. However, the Republican Government was sufficiently fearful of such an attack that it made plans for moving the capital to Sumatra. At the mountain stronghold of Bukit Tinggi in the Menangkabau area of Western Sumatra, Vice-President Hatta was commissioned by the Indonesian Cabinet and the K.N.I.P. to set up a new capital in the event of an attack on Djokja. Hatta himself was delegated to assume formal leadership of both the civil government and the

armed forces in case President Soekarno and Prime Minister Sjarifoeddin should be unable to leave Djokja.

About the only immediate result of the United Nations action was the abandonment of an attack on the Republican capital. Otherwise, within two days of the cease-fire order, hostilities were resumed by both sides, with each side bitterly accusing the other of starting an attack and condoning its own retaliatory action as self-defense. Protests soon began to stream into Lake Success from both the Republic and the Dutch, accusing one another of violating the cease-fire order. Acting decisively, and under pressure from both Australia and Russia, Mr. El Khouri again placed the Indonesian question on the Council's agenda for discussion on August 6. It had become apparent that the situation in Indonesia was again deteriorating despite the much-heralded Council "victory" of August 1. The Republic, moreover, was addressing repeated requests to the Council to set up a Commission to investigate and implement the execution of the cease-fire order and to arbitrate the basic disputes at issue.

On August 12, over the protest of Dr. van Kleffens, the Security Council voted to seat Soetan Sjahrir and to hear him as the Republic's representative at the Council's discussions. Sjahrir had arrived in New York from Cairo with Hadji Salim. The Council's decision to grant him a full hearing was a diplomatic triumph for the Republic. On the vote, the three colonial powers opposed granting representation to the Republic at the table, according to the argument advanced by Dr. van Kleffens that the Republic was not a sovereign state and hence was not entitled to a seat. The Netherlands sustained another diplomatic setback when the Council turned down van Kleffens' request for representation to be extended to delegations from West Borneo and East Indonesia, although he received American support on this motion. Sultan Hamid and President Soekawati were at the time en route to Lake Success by a Dutch plane, and the Netherlands had hoped that their testimony backing up the Dutch action might be heard to offset that of Sjahrir.

On August 14, Sjahrir made a moving plea to the Council for a settlement in Indonesia. Speaking in English, he bitterly scored Dutch pre-war colonial rule, and Dutch attempts to restore colonialism by the use of force since July 21. He accused the Dutch of violating the original truce agreement of October 14, 1946, and of repeated violations of both the spirit and letter of the Linggadjati Agreement. Sjahrir also called upon the Council to order Dutch troops to return to the positions which they had occupied before the

outbreak of hostilities. Finally, he asked the Council to establish two commissions, one to enforce the cease-fire order of August 1 and the other to arbitrate the basic dispute between the Republic and the Netherlands.

As the discussions at Lake Success continued, it became increasingly clear that the political football game which the United States had feared was materializing. On one side of the Council were the three major colonial powers, Great Britain, France, and Belgium, which sided with Dr. van Kleffens in contesting the right of the Council to deal with the question. In casting their votes, the colonial powers were anticipating possible future Council action in disputes in which they themselves were, or might become, involved. Britain had Malaya and the Anglo-Egyptian Sudan to think about. France still had a stalemate guerrilla war on her hands in Indo-China; and Belgium could take no chances on the Congo.

On the other side of the fence were Australia, Russia, Poland, and Syria, which endorsed Sjahrir's idea for two Security Council commissions to solve the current problems in Indonesia. Finally, in between these two groups were the United States, China, and the other two Council members, Colombia and Brazil. The United States was divided between ideological sympathy for the Indonesian case on the one hand, and political ties with Holland in connection with the Western-European political bloc and world power politics on the other. China was mainly interested in protecting the lives and interests of more than a million Chinese in Indonesia, some of whom were in Dutch-held areas and some of whom were in Republican areas. Reports from Batavia had already indicated that irresponsible Indonesian armed bands had killed Chinese subjects because of their alleged pro-Dutch inclinations. As everywhere in Southeast Asia, the Chinese in Indonesia are more interested in business than in politics. To prevent unpleasant repercussions for the Chinese in the islands, China sought a middle-of-the-road solution which would antagonize neither the Dutch nor the Republic.

Brazil and Colombia alone among the nations represented had no immediate political, ideological, or economic interests involved in the dispute, and hence their positions evolved on a more non-partisan *ad hoc* basis than did those of the other powers.

#### THE COUNCIL ACTS

Effective action by the Council was hampered by this triple internal division among the delegates, as well as by French use of the



veto on a Russian proposal to establish an eleven-nation Council committee in Indonesia to supervise enforcement of the cease-fire order. Such progress as was made occurred, generally, when the middle-of-the-road group—and particularly the United States—was able to give qualified support to the pro-Indonesian bloc, of which Russia and Australia were the two most outspoken leaders. The Security Council closed its preliminary discussions of the Indonesian question by two moves which indicated the likelihood of further action by the Council in the future.

In the first place, taking cognizance of the repeated violations reported by both sides, the Council on August 26 renewed Part (A) of its original cease-fire resolution. It formally reminded both parties of its order to halt hostilities forthwith, and it called upon the Governments represented in the Council, which had career consular officers in Batavia,<sup>10</sup> to have their consuls submit a joint report on the observance of the cease-fire order to the Council.

Secondly, in order to implement Part (B) of the August 1 resolution, the Council offered its good offices to assist in a final settlement of the issues at stake between the Republic and the Netherlands, if both sides requested it to do so. The Council's resolution of August 25 on this matter proposed that the assistance take the form of a Committee of Good Offices to consist of three members of the Council, one nation to be selected by the Republic and one to be selected by the Netherlands, with the third to be designated by the two so selected. It was intended that this Committee might then offer its assistance to the disputants with the prestige and support of the Council behind it.

The initial actions of the Council left neither side fully satisfied. On the one hand, the main Dutch contention that the subject was completely outside the Council's jurisdiction had been disallowed. Contrary to the hopes of the Netherlands, it seemed clear after the preliminary action of the Council and its offer of good offices that if a peaceful settlement were to be reached the Council would be directly involved.

On the other hand, the two main Republican requests had not been complied with. Sjahrir had specifically requested that Dutch troops be ordered to return to their pre-July 21 positions. He had also asked for two Council Commissions to arbitrate the disputes at

<sup>10</sup> The Governments in the Council with career consuls in Batavia were: the United States, Great Britain, Australia, France and Belgium.

issue and to enforce the cease-fire order. Neither of these requests had been fully granted.

There is, however, hardly any doubt that the preliminary results achieved at Lake Success constituted a diplomatic success for the Republic. The Security Council's action had indefinitely postponed a possible attack on Djokja. It had brought the whole Indonesian question into the spotlight of publicity. Over van Kleffens' objections, the case had been prominently placed on the Council's agenda. The Republic had been granted official representation, and Sjahrir had utilized the opportunity to good advantage in espousing the Republic's cause. Representation for East Indonesia and West Borneo at the discussions had been refused, although the Netherlands had requested that a hearing be granted for delegations from the two areas. Sjahrir's allegation that the two groups would simply testify as Dutch puppets had found sufficient support among the Council members to bar them. On the other hand, two foes of colonialism and avowed friends of the Republic—India and the Philippines—had been seated at the discussions as specially-interested parties, despite Dr. van Kleffens' protests. India, moreover, had taken a particularly active part in the discussions in supporting the Republican case.

In addition to the help from India and the Philippines, the Republic had won public expression of friendship and support from Australia and Syria (as she had expected), and from Russia and Poland (as she had not expected). The Soviet Union's position was probably more the result of her political ambitions in Asia and possibly of her desire to embarrass the American-Western European bloc, than it was of ideological affinity with the Indonesian Republican cause. Nevertheless, Russia's Andrei Gromyko supported the Republic strongly. The middle-of-the-road position of the United States had been something less than what the Republic had hoped for, but again this was clearly dictated by world politics rather than ideological factors. China's role had been neither more nor less than what the Republic had expected.

Finally, and most important, the preliminary course of events at Lake Success seemed likely to end any Dutch hope of reaching a unilateral decision on the broader issues by force of arms. The initial measures of the Council had paved the way for further constructive measures in the future, and had diminished the chance of further large-scale military action in Indonesia.

Aside from the quick and efficient advances of the Dutch troops in

Java, and the fact that the World Bank had granted the Netherlands a loan on August 7,<sup>11</sup> there was little satisfaction which the Netherlands could draw from the course of events between July 21 and the Security Council's preliminary resolutions on Indonesia.

<sup>11</sup> On August 7, the International Bank for Reconstruction and Development announced in Washington that it had granted a loan of \$195,000,000 to the Netherlands to be devoted "exclusively to the reconstruction of productive facilities in Holland." The loan had long been under consideration by the Bank, and in consideration of the situation in Indonesia a stipulation was attached to the loan that "none of the proceeds . . . will be applied to the Netherlands East Indies, or for military purposes."

## CHAPTER NINE

### *RECENT DEVELOPMENTS AND THE OUTLOOK FOR THE FUTURE*

Within one week, the Security Council's offer of good offices was accepted formally by the Netherlands and the Republic. In the early part of September, the Republic chose Australia and the Netherlands chose Belgium as their designees on the three-nation Committee of Good Offices, and on September 18 the United States agreed to be the third member. Shortly thereafter three distinguished delegates were selected to serve on the Committee: Dr. Frank P. Graham, President of the University of North Carolina; Paul van Zeeland, former Prime Minister of Belgium; and Mr. Justice Richard C. Kirby, a prominent Australian jurist.

The appointment of the Security Council Committee signified the beginning of a new phase in the protracted dispute. Two years of tedious discussions between the Dutch and Indonesians had led not to an amicable settlement, but to the military flare-up of July 21. By the fall of 1947, it seemed clear that if a peaceful solution were to be reached, it would not be by a quick and direct meeting of minds. Not only were the two sides too far apart on specific issues; but suspicion and prejudice on both sides were so rife as to turn negotiation into wrangling and informal pledges into diplomatic opportunism. Whether the dispute was to be resolved by men conferring around a table, or by force, seemed now largely to depend on the work of the Committee of Good Offices.

After holding organizational meetings at Lake Success and in Sydney, Australia, the Committee arrived in Batavia at the end of October to begin its work. With power only to facilitate a resumption of discussions between the two sides—but not to arbitrate—the Committee held the conviction that notwithstanding intervening developments, the Linggadjati Agreement could provide the only basis for further negotiations. Despite the Security Council's two cease-fire orders, peace had not come to Indonesia and the atmosphere re-

mained tense. The Committee's task was a difficult and complicated one. At the time of writing, it still is.

One complication lay in the fact that after the outbreak of hostilities, both sides stated that they considered themselves to have regained freedom of action and to be no longer bound by the stipulations of the Linggadjati Agreement. There is little doubt that opportunism became an element in official policy on both sides. On August 29, Dr. van Mook's government issued a proclamation establishing the boundaries of Dutch-occupied territory, the so-called "van Mook line." Included on the Dutch side of the line were West Java, East Java and Madura, as well as the rich rubber and tea estates of East Sumatra, the extensive coal and oil fields around Palembang in South Sumatra, and an expanded bridgehead around Padang in West Sumatra. Republican authority was "outlawed" in these areas, and the Dutch proceeded to consolidate their gains. By the time the Committee began its work in Batavia, the Dutch position (*de facto*) was considerably stronger than it had been in July 1947.

Temporarily on the defensive in Indonesia, the Republic struck back through other channels. As an autonomous *de facto* territory, according to Linggadjati, the Republic was invited by the United Nations Conference on Trade and Employment to send a delegation to meetings of the prospective International Trade Organization in Havana. Speaking at one of the earlier meetings on November 28, the Republican representative, Dr. Gani, launched a bitter tirade against Dutch policies in Indonesia, both political and economic. At a technical economic discussion, Dr. Gani's remarks were obviously out of order, and he later agreed to withdraw them. From the Dutch point of view, the damage had already been done. Such opportunism neither simplified nor expedited the early work of the Committee of Good Offices.

In a report submitted by the career consuls in Batavia to the Security Council in mid-October, it was clearly indicated that hostilities had not ceased or even diminished. In April 1947, a white man could go with safety almost anywhere in Java and South Sumatra. At the time the Committee arrived in Batavia, a white man could hardly venture out of the Dutch-held enclaves without risking danger. In response to the consuls' report of October 14, the Security Council adopted a new resolution on November 1. It had become clear that unilateral acceptance by each side of the Council's earlier resolutions had had little practical effect. Moreover, the Dutch admitted openly that on their side of the tortuous van Mook line,

"mopping up" operations were proceeding to eliminate pockets of resistance, and to establish Dutch control in these areas—particularly in West and East Java.

The new resolution, adopted by a vote of seven to one, with Russia, Syria, and Colombia abstaining and Poland opposing, called upon the parties "forthwith to consult with each other either directly or through the Committee of Good Offices as to the best means to be employed in order to give effect to the cease-fire resolution." It also stated that "the use of the armed forces of either party by hostile action to extend its control over territory not occupied by it on August 4, 1947 is inconsistent with the Council's resolution of August 1." Presumably the latter provision was designed to halt any further mopping-up operations.

In early November, the Committee of Good Offices called upon the two parties to appoint special committees to meet with its military and other representatives in order to begin preliminary work toward implementing the Council's resolution. Headed by Mr. H. van Vredenburg of the Dutch Foreign Office, and Dr. J. Leimena, the Republic's Minister of Health and leader of the Indonesian Christian Party, the two special committees held their first meeting on November 14.

While the special committees continued to meet and to make some progress toward a truce agreement, the discussions were widened in scope. Official delegations were appointed on both sides to investigate the broader economic and political issues involved in the dispute. On December 8, under the auspices of the Committee, the broader negotiations were begun on the forward deck of the United States Navy transport *Renville*, anchored off Tandjong Priok.<sup>1</sup> Sjarioeddin headed the Republican delegation, and Raden Abdoelkadir Widjojoatmodjo was selected as chairman of the Dutch delegation. Formerly a colonel in the Dutch army and head of the Netherlands Indies Civil Administration in 1945,<sup>2</sup> Abdoelkadir had been a non-participating special adviser to Dr. van Mook during the earlier discussions leading to Linggadjadi. He was elevated to the newly created post of Deputy Lieutenant Governor General in anticipation of his role in the forthcoming negotiations.

Six weeks later the first phase of the Committee's work was con-

<sup>1</sup> Both sides originally refused to hold the top-level discussions in territory held by the other. To solve the dilemma, Dr. Graham requested his government to provide a vessel as the scene for the negotiations.

<sup>2</sup> Before the war, Abdoelkadir served as a *wedana* or village representative of the Dutch Civil Administration, and as the Netherlands vice-consul in Jiddah, Arabia.

cluded. On January 17, 1948, both delegations signed the Renville truce agreement as well as an agenda of twelve principles to form the agreed basis for working out a final political settlement. Seemingly redundant from the point of view of the Security Council cease-fire orders in August, the new truce agreement was nevertheless the first decisive step toward the effective implementation of the earlier orders. It provided that both sides stand fast and cease fire within forty-eight hours along the *status quo* line fixed by the Dutch proclamation of August 29. Demilitarized zones were to be set up on either side of the line, and the military staff of the Good Offices Committee was to assist in the orderly withdrawal of those Indonesian forces still active on the Dutch side of the line. Provision for demilitarized zones was particularly essential. Probably the major cause of military incidents after the earlier cease-fire orders was the so-called "mobile defense" which both sides maintained. Mobile defense allowed patrols to be active not only within the lines, but over a considerable area outside as well, for precautionary purposes. Under such circumstances, clashes were inevitable.

The twelve political principles adopted with the Renville Agreement reflected the Committee's conscious effort to bring both parties back to the Linggadjati Agreement. However, the twelve principles were for the most part too vague to be meaningful. Both sides agreed to the continued assistance of the Committee of Good Offices in working out a political settlement, "based on the principles underlying the Linggadjati Agreement."<sup>3</sup> Provisions were made for a reduction of armed forces, "uncoerced and free discussion of vital issues for a period of not less than six months nor more than one year" after the signing of the political agreement, and for "free elections" to determine the status of the people in the Dutch-occupied areas of Java, Sumatra and Madura. Both parties reiterated their adherence to the formation of a sovereign and democratic United States of Indonesia, to "cooperation between the people of the Netherlands and Indonesia," and to the prospective Netherlands-Indonesian Union under the Dutch crown. Yet on key issues, the political principles were hardly more precise than Linggadjati.

In an effort to give more explicit meaning to the broad principles, the Committee of Good Offices submitted six additional principles which were also accepted on January 17 by both parties. The continuation of Dutch sovereignty in Indonesia until the formation of the U.S.I. was confirmed, and the status of the Republic as "a state

<sup>3</sup> See Appendix, p. 184, for the Renville documents.

within the United States of Indonesia" was made explicit. Furthermore, the Committee suggested that the anticipated elections take the form of plebiscites under the Committee's observation to determine whether the thirty to forty million people in the Dutch-held areas of Java, Sumatra and Madura wished to form part of the Republic or to constitute separate states within the U.S.I. It was also suggested that in any interim federal government established prior to the formation of the U.S.I., "fair representation" should be extended to all states.<sup>4</sup>

#### SIGNIFICANCE OF THE POLITICAL PRINCIPLES

The conclusion seems inescapable that the terms embodied in the principles of January 17, 1948, were a reflection of the strengthened power position of the Netherlands *vis-à-vis* the Republic. Territory which at Linggadjati had been recognized as clearly under the *de facto* authority of the Republic was now in Dutch hands. The most fertile rice areas of East and West Java, together with the estate and oil regions of East and South Sumatra—potential sources of vitally needed dollar exchange—were at least temporarily under Dutch control, as a result of the military action of July 1947. With good prospects of deriving foreign exchange from exports of stockpiles in Sumatra and Java, much of the former economic pressure on the Dutch was lessened. Haste in reaching a definite political agreement was no longer compelling. The Dutch were now in a position to grant, rather than having to solicit, concessions. Whether or not the opportunity will be utilized in a spirit of constructive magnanimity is the decisive test lying ahead of the Netherlands. How the test is met is likely to determine the future of the Dutch in Indonesia.

In Djokjakarta, Soekarno called for strict observance of the truce, but the reaction of the Central National Indonesian Committee was one of chagrin and disappointment. The rightist *Benteng Republik* was vociferous in its opposition to the agreement, and it threatened to withdraw support from the Sjarifoeddin government. Both the *Masjoemi* and Nationalist Parties felt that the Republican negotiators had made unnecessary concessions to the Dutch. As had occurred seven months earlier, a cabinet crisis developed. On January 23,

<sup>4</sup> Prior to the truce agreement, the Dutch had already made some progress in the formation of separate states in the areas on their side of the van Mook line, and in the setting up of an interim federal government. On January 13, 1948, an interim federal council was installed by Dr. van Mook. Headed by Abdoelkadir, the council consisted of eight members, including appointees from East and West Java, and Eastern Sumatra. Three additional seats were offered the Republic, which declined.



Sjarifoeddin was forced to resign. Vice-President Hatta was asked to form a new cabinet by Soekarno, and as the price of support for the Renville agreement and for future negotiations under its provisions, the *Benteng* coalition demanded decisive representation in the new cabinet. Dr. Hatta agreed, and on January 25 the K.N.I.P. endorsed both the truce and the accompanying political principles. Prime Minister Hatta completed the formation of his cabinet on January 31,<sup>5</sup> and immediately announced that his government would carry out the commitments and continue to follow the explicit policies of the Sjarifoeddin government. As Sjarifoeddin adopted precisely the policy line laid down by Sjahrir in June, so Hatta declared his government to be behind the policies of Sjarifoeddin.

In the new cabinet, Hatta succeeded Sjarifoeddin as Defense Minister as well as Prime Minister. Although eight of Sjarifoeddin's ministers retained their seats, the new cabinet was clearly dominated by the *Benteng* group which held seven portfolios. Five portfolios went to non-party leaders, while the Christian and Catholic Parties had one each. Three seats were offered to the *Sajap Kiri*, but rather than accept representation inferior to that of the *Benteng Republik*, Sjarifoeddin and Sjahrir—the leftist leaders—declined the offer.<sup>6</sup> Despite its refusal, the *Sajap Kiri* voted full support for the new government.

While the Republic's policies after the cabinet change reverted substantially to what they had been before, the hint of disunity which the change incurred was not salutary for the Republic's prestige abroad. The problem of reconciling the evolution of democratic institutions with the need for unity in times of crisis is a difficult task for any government. It is one of the most crucial internal problems facing the Republic.

#### PROSPECTS FOR THE FUTURE

At the time of writing, only unstable peace has come to Indonesia. The life of the Committee of Good Offices has been extended by the

<sup>5</sup> Major portfolios in the Cabinet were as follows: Foreign Affairs, Hadji Salim; Home Affairs, Dr. Soekiman, leader of the *Masjoemi*; Justice, Soesanto Tirtoprodjo, P.N.I.; Finance, A. A. Maramis, P.N.I.; Health, Dr. J. M. Leimena, Christian Party; Education and Culture, Ali Sastroamidjojo, P.N.I. Dr. Gani was dropped from the cabinet and Sjarifoeddin Prawiranegara of the *Masjoemi* Party succeeded him as Minister of Economic Affairs.

<sup>6</sup> Shortly thereafter, Sjahrir split with the Socialist Party and Sjarifoeddin, to form a new party. Sjahrir's party, the *Partai Sosialis Indonesia*, which remains within the *Sajap Kiri* and hence supports the Hatta cabinet, is apparently based on the principle of Asiatic solidarity in world politics.

Security Council to help in the forthcoming political negotiations.<sup>7</sup> And yet, over 300,000 men still remain armed in Indonesia ready for action. Anything can happen, and attempts at prediction are exceptionally hazardous. Both the military and political situations are fluid in the extreme, and the truce agreement has yet to be implemented fully. Perhaps only one prediction is certain: there will be no quick or simple solution to the Indonesian dispute. Keeping this qualification in mind, we may say, nevertheless, that certain developments appear likely.

The Renville political principles suggest that the Linggadjati Agreement will constitute the starting point for the final political negotiations. The task of reconciling the two basically different interpretations of that Agreement will thus remain for the Committee of Good Offices to solve. Apparently, "cooperation" will at first be construed along the lines of the original interpretation of the Netherlands. Moreover, "federalism" is likely to be considered as emphasizing the rights and position of East Indonesia, Borneo and such other states as may emerge, rather than simply the primacy of the Republic.

However, after the formation of the United States of Indonesia (that is, in 1949), the Republic's original interpretation of Linggadjati may be gradually and increasingly realized. In the long run, it seems probable that the Republic will become the dominant voice in the Indonesian federation, and that the proposed Netherlands-Indonesian Union will be able to succeed only if it has the Republic's cooperation.

The question as to whether the Indonesians are capable of governing themselves is academic. The fact is that, regardless of shortcomings and deficiencies, they have already been governing themselves for more than two years. The Republican Government may have been callow. Its administration is far from being mature, and its sovereignty has not yet been fully established. But it has exercised the *de facto* authority of government over Java, Sumatra, and Madura; and this fact has already been recognized by the Netherlands.

There seems to be little doubt that the political structure which is developing in Indonesia will be built—in practice—around the Republic. Of course, the validity of this statement will depend directly on the results of the plebiscites to be held in the Dutch-controlled

<sup>7</sup> On February 13, 1948, Dr. Graham resigned from the Committee of Good Offices in order to resume his duties as president of the University of North Carolina. Coert Du Bols, a veteran retired foreign service officer, was nominated to succeed him.

areas within the van Mook line. In turn, the plebiscites will depend on the extent to which free and uncoerced elections actually occur. Assuming the plebiscites are unfettered, many observers believe that at least East Java and all of Sumatra will vote to join the Republic. Pro-Republican sentiment in these areas has been particularly strong during the last two years. In fact, during the summer of 1947, when he went to Bukit Tinggi as president-designate in the event Soekarno were taken prisoner, Dr. Hatta—himself a Sumatran—suggested to the United Nations that a plebiscite be instituted to determine the political aspirations of the people. To this writer, the big question marks in the plebiscites appear to be West Java and Madura.<sup>8</sup> Yet when the plebiscites are completed, it seems likely that the Republic will still emerge as the core of the future United States of Indonesia. Since the beginning of the nationalist movement in 1908, almost all major Indonesian political leaders have come from Java or Sumatra. Education, literacy, and economic progress have been greater and more widespread in these areas than in any of the remaining parts of the archipelago. It is thus probable that the guiding force behind the future of Indonesia will come from the Republican Government of Java and Sumatra.

Further military action by the Dutch might temporarily seem to alter this fact, but it is the author's considered opinion that even if Djokjakarta were taken—which seems doubtful—the prospect of the Republic for survival would still be strong. For one thing, the caliber of Republican leadership is high. An overwhelming proportion of Indonesian youth and intellectuals—the people around whom Indonesia's future will be built—are associated with the Republican Government. The Republic, as we have seen, has behind it strong foreign friends, as well as the prestige of the nationalist ideal and of more than two years of governing. We have already discussed the real, if inchoate, political and administrative structure which the Republic comprises—its expanding labor, banking, and trade organizations, and the economic plans and progress which it has attained. These things are not easy to efface.

The events of 1946 and 1947 signalize the birth of a nation in Indonesia. The birth may have been premature, although in the

<sup>8</sup> On February 28, 1948, after this was written, the Security Council adopted a resolution proposed by China, calling upon the Committee of Good Offices to watch political developments in West Java and Madura and to make frequent reports on this subject to the Council. The resolution came in response to Republican charges that the Dutch were proceeding in a unilateral move to set up "puppet" states in these areas prejudicial to the outcome of the prospective plebiscites.

case of political births, "prematurity" and "immaturity" are concepts too subjective to be accurately determined. In any case, the fact is that the embryo is there. It cannot very well be returned to the womb for incubation to await a more gradual birth, any more than the clock of history can be turned back to the days preceding the Japanese invasion.

The future of the Dutch in Indonesia will in the long-run depend on their recognition of this salient fact, and on their ability to respond and adapt themselves to it. The Dutch must show the same resiliency and ability to go-with-the-punch as the British have demonstrated under equally difficult and unwished-for circumstances in India and Burma. There is still a chance that this may occur in Indonesia, but time is running out. The Dutch will, first of all, have to learn to accept and get along with the Republican and other nationalist Indonesian elements which are neither Dutch-inspired nor of pro-Dutch inclinations (the *Oranjegezindheid* which was so esteemed by pre-war colonial rule). "Getting along" will require broad political, social, psychological and economic changes which will not be easy for a people with as deep a colonial tradition as that of the Dutch. Perhaps Queen Wilhelmina pointed the way in her recent remarkable statement:

"Colonialism is dead. . . . We do not disown our past . . . but a nation must be strong enough to make a new beginning. . . . We shall be strong enough."<sup>9</sup>

Political change has already been charted at Linggadjati and on the U.S.S. *Renville*. However, the political formula of the Agreement, and the main institution which it envisions for retaining a strong and vital link between the Netherlands and Indonesia (i.e., the Netherlands-Indonesian Union under the Dutch Crown) cannot become a sound and growing thing as long as coercion is resorted to. The United States of Indonesia and the Republic can no more be kept within the Netherlands-Indonesian Union against their will, than India and Pakistan can be kept within the British Commonwealth against their desires. If a real cooperative feeling and trust have not evolved to bind the Union together within perhaps one decade, the Republic and perhaps other parts of the United States of Indonesia may be in a position to break away of their own will.

The development of such a cooperative feeling will require a profound psychological and social adjustment by the Dutch. This ad-

<sup>9</sup> From the Queen's address of February 3, 1948. See Appendix, p. 189.

justment is not something new, and in fact it began years ago. Now, however, it must go farther and at accelerated pace. Colonialism, as a form of Government of minorities over majorities, is dying. Unless the abnormal social and psychological relations on which it was founded are rooted out, its death will not be peaceful.

The time-worn pattern of colonial relations has been characterized by feelings of inferiority and servility on the part of the subject peoples, and by feelings of superiority and arrogance on the part of the rulers. This was true not only of Indonesia, but of all colonial societies in Southeast Asia. In practice, this abstract pattern has been undergoing basic change for many years. In Indonesia two factors have combined to speed this process of change to a point where it can hardly be recognized as the same process. The first was the Dutch capitulation before the invading Japanese forces in March 1942; and the second has been the record of the Republic since its formation. For as a result of these factors, the Indonesians have come to realize that they are made of the same flesh, blood, and capacities as their former rulers. Nor has this realization been restricted to the intellectuals who long ago recognized the fact. The Indonesian masses, as well, have begun to arrive at the same realization. For obvious psychological reasons, the Dutch have not arrived at it as rapidly or as willingly as the Indonesians. Within a short time, this gap will have to be bridged. That is a challenge which will require all the resourcefulness and strength of character for which the Dutch have long been renowned.

However, the possible alternative to this course of events cannot yet be ignored or ruled out. There are still strong groups which favor a resumption of military action and a forceful breaking-up of the Republican Government. The worst that can be said about the possibility of such a step—aside from the moral considerations involved—is that it is not likely to accomplish anything. It will bring neither peace nor order nor economic rehabilitation to Indonesia any more than it has brought such conditions to Indo-China. In such an eventuality, the Dutch may find themselves embroiled in a long, indecisive and costly campaign against Republican guerrillas. The "rounding up" of 200,000 T.R.I. guerrillas, disguised as coolies and rice-paddy laborers, would not be an easy or quick task. The Dutch would be required to maintain a large army in Indonesia for years. As the Indo-China example has shown, cities and ports may be won in such a campaign, but not the hearts of either the country or the people. Attempts to set up puppet states would be difficult if not

impossible. Reliable Indonesian personnel for such puppet states would be scarce, or would turn out to be of the Koestomo-Kartalegawa *Pasoendan* variety. Estate and factory labor would be just as hard to find or conscript because of the strong and even militant influence of the S.O.B.S.I. labor organization. Estate owners, attempting to return to their estates and plantations in the interior, would be in constant danger, and extensive economic recovery would be halted indefinitely.

Such a chain of events would be detrimental not only to the interests of the Dutch but to those of America, Australia, and Great Britain. It is for this reason, too, that continued mediation by the Security Council Committee seems likely to occur, although a recourse to force and a breakdown of mediation can still not be considered impossible.

#### A FORWARD-LOOKING DUTCH VIEW

Indonesia has always been one of the chief supports of the economy and the high standard of living in the Netherlands. Before the war, trade with the archipelago accounted for almost 15 per cent of the total national income of Holland. This percentage was exclusive of the dividends and profits which were made and used by Dutch companies functioning in Indonesia, and of the pensions which Hollanders who had been in business or government service in the Indies received annually. Even these facts do not fully indicate the economic importance of the islands to Holland's pre-war economy.

In addition, a large part of the Netherlands' industry was geared to the processing of the raw materials—such as tin ore and copra—which were received from the Indies and then re-sold as final products elsewhere in Europe. Holland's economic relations with the archipelago and its lucrative trade with Germany were the two main reasons why the Dutch people enjoyed one of the highest standards of living of any nation in pre-war Europe. As a result of World War II, the German trade has been almost completely wiped out, temporarily at least. Holland's economic position has been weakened still further by war damage to her productive resources which has still not been fully repaired, but which will be ameliorated by the World Bank loan of August 7, 1947.<sup>10</sup>

From the Dutch point of view, these factors have combined to make the recovery of Dutch economic interests in Indonesia vital for rehabilitation in Holland. In the final, practical analysis, economic

<sup>10</sup> See footnote, p. 144.

interests in Indonesia are thus considerably more important to the Netherlands than political interests and prestige. This was apparently the view of Feike de Boer before he resigned from the Commission General in March 1947. Few other Dutch liberals have had the courage, as he had, to espouse the basic idea that the tri-color must be taken down if the banner of trade is to be raised again. The principle of a free and ready grant of political concessions in return for a guarantee of the resumption of legitimate Dutch business was originally a strong motivating factor behind the Dutch political maneuvers at Linggadjati. It has been less in evidence since then.

The sooner this principle is recognized by the Dutch and applied in a spirit of helpful good will, the more likely it is that Holland will be able to retain and expand her substantial economic holdings in Indonesia. For there is no doubt that the Dutch have learned how to make economic activity in Indonesia productive. Dutch businessmen know the Indonesian language and know how to run and organize rubber, coffee, tea, sugar, fiber, and cinchona estates. Holland's steamship companies know the waters and ports of Indonesia. The Dutch have the know-how for starting and operating factories to process and refine the raw materials produced in the archipelago. Moreover, the universities of the Netherlands teach thorough courses in the Indonesian languages and in the archipelago's economy—appreciable advantages for prospective business operations in the archipelago.

This knowledge, acquired during centuries of economic operations in the Indies, constitutes a basic advantage in prospective open competition with foreign business in Indonesia. It is an advantage which does not require special political or military protection to be capitalized upon. Because of their experience, the Dutch are in a key position to help in the reconstruction of the Indonesian economy, and at the same time to ensure the maintenance of their own large economic interests throughout the archipelago. Dutch business can expect to make profits in the future, but these profits must have a new basis. They must not be based either upon an inordinately low wage scale, or upon Government-sponsored privilege protection. Instead, they must be founded upon efficiency, productivity, and ability. The challenge before the Dutch is to maintain their economic position in Indonesia through reliance on their own superior ability, and nothing else.

Some Dutch businesses—notably the Royal Dutch Shell Oil Company—have recognized and accepted this challenge. Dutch-Shell has

negotiated and made tentative agreements with the Republican Government and the S.O.B.S.I., for the resumption of their Sumatra and Java operations. There is little doubt that this sort of ready adaptability and planning will bring dividends in the future. On the other hand, there have been some Hollanders who have felt that if political protection were ended, Dutch business might be confronted with discrimination which would hamper its operations. As we have seen, there has been widespread distrust of Dutch intentions by the Indonesians. Nevertheless, there has been relatively little hatred or violent feeling against the Dutch people as such. Almost all the major Indonesian leaders speak Dutch and have had a Dutch education. Despite their violent opposition to colonialism, many of them still cherish an admiration for Dutch culture and for the practical democracy which they personally experienced during their student days in Holland. The Indonesian people as a whole are mild and moderate almost to a fault. It is not likely that the breakdown of their colonial inferiority complex will bring with it any extensive or enduring anti-Dutch feeling.

In March 1947, a group of Dutch correspondents who traveled extensively in Republican territory made the following joint statement:

"We Netherlands journalists of diverse political and religious convictions declare on the strength of our observations and experiences . . . during a visit to the territory of the Republic of Indonesia . . . that:

"When the freedom of the Indonesians is assured, the Dutch can count on friendly cooperation with a people who realize their own value as well as their own shortcomings. We have mingled with the people without any escort and we have met with no hostility. . . . The Dutch language is heard and spoken without reluctance." <sup>11</sup>

Events since the spring of 1947 have tended to dissipate, rather than to foster, the mild feelings towards the Dutch which then prevailed. Nevertheless, in the author's opinion the opportunity is still there, although time is growing shorter and feelings are not growing milder. Political concessions and magnanimity may still establish that atmosphere of goodwill which can be the best protection for Dutch economic interests.

The East has awakened. Events from Egypt to the Philippines have given abundant evidence of that fact. There can be little doubt that in the long-run any attempt by the Dutch to retain their politi-

<sup>11</sup> Quoted from the official joint statement of seven accredited Dutch correspondents after their return from a visit to the interior of Java in March, 1947.



cal authority and prestige in Indonesia by force will end in failure. This does not imply the unworkability of the projected Netherlands-Indonesian Union under the Crown. The Union may still be an enduring and vital institution, but its only chance of success lies in the equality and free participation of its constituents. It implies, rather, that the Dutch must adapt themselves to a new frame of reference in Indonesia. For more than three hundred years the Indonesians have been obliged to adapt themselves to the changing forces and policies of Dutch colonialism. They will no longer play that role. The Dutch must now make their first really difficult adjustment, by adaptation to the currents of Indonesian nationalism, if they are to retain their economic position in Indonesia. For, as one Dutch official recently said unofficially, in a matter of two decades no Western power can expect to retain a direct political hegemony in the Far East.

Britain has had to make this adjustment in India. Her political magnanimity may have been dictated more by economic and military impotence than by her own wish. Nevertheless, the fact remains that the British are regarded as friends and sponsors of the new Dominions of Pakistan and India, and not as their opponents. British economic interests in the two Dominions are hardly likely to suffer as a result.

#### NEW BONDS OF INTEREST

The events in Indonesia since the end of the war have significance for other nations and groups as well as the Dutch. The whole archipelago and particularly the Republican areas of Java and Sumatra will have great need of financial and technical assistance from abroad. Formidable tasks of economic reconstruction lie ahead. The Netherlands may be able to furnish substantial technical assistance, but only two nations are in a position to supply immediate financial aid: Australia and the United States.

Australia is becoming increasingly aware of her own special position and responsibilities in Southeast Asia, and her current interest in Indonesia is correspondingly great. Her relations with the Republic have been close and friendly, and her role in the Security Council discussions has cemented this friendship.

Before the war, Australia accounted for only about 4 per cent of the total trade of the Indies. This proportion is likely to expand appreciably, and an initial loan from Australia to the federated U.S.I. may be an important factor in its expansion. Moreover, a sound

economic basis exists for the development of a lively trade between Australia and Indonesia. In the first place, geographical factors are favorable. In addition, Indonesia will need the machinery and agricultural implements which her industrial neighbor down-under can supply, while Australia will need the raw materials and petroleum products which she can import from the archipelago.

Before the war, Australian investment in the Indies was negligible compared with that of the Netherlands, Great Britain, and the United States. It seems certain that this investment will increase greatly, and Australian oil interests are likely to be in the vanguard of this increase. As for the so-called "white" Australian immigration policy, it is still too early to say whether this will be an obstacle in the way of Australia's expanding her influence and interests in Southeast Asia and Indonesia, or whether the policy is likely to be modified.

Notwithstanding the likelihood of a nominal loan from Australia, only the United States is in a position to supply anything approaching a substantial part of the amount which may be necessary for economic rehabilitation in Indonesia. America's note to the Republic of June 27, 1947, indicated that the possibility of an American loan—not only to the U.S.I. but to its constituent parts as well—is not remote. On January 20, 1948, in praising the Dutch and Indonesian delegations and the Committee of Good Offices for concluding the Renville agreement, the State Department added: "The United States Government will continue to follow with deepest interest the progress of reconstruction in the Netherlands East Indies, and is exploring ways and means of extending economic and financial assistance to this reconstruction."

While the position of the United States during the Security Council discussions on Indonesia was somewhat equivocal from the Republic's point of view, America's prestige in Indonesia is high. President Soekarno is an ardent admirer of America and a student of American history. Economic aid coupled with an active information and cultural relations program can greatly enhance America's position in the Republic and in the rest of Indonesia. The fact that American capital seems to be particularly interested in expanding its investments in Indonesia would, furthermore, indicate that such economic and information activity might be warranted for economic, as well as political, reasons.

Besides new investment by large, established American firms,<sup>12</sup> ad-

<sup>12</sup> See Appendix, *Interests of American Firms in Indonesia*, p. 183.

ditional interest has been shown in prospective operations in Indonesia by new American companies which have never been active in the archipelago before. Not only young export-import firms but shipping concerns and air transport lines—some of them run by ex-G.I.'s—have shown interest in future prospects in Indonesia. Certain of them have even negotiated tentative contracts with the Republican Government, and there is little doubt that more American capital will be attracted to Indonesia once conditions of stability have been firmly established. It is to be expected that such new investment will be welcomed by the Republic, in accordance with its economic policies and programs.<sup>13</sup> Nevertheless, American firms will have to balance carefully the prospects of favorable returns against the risks, uncertainties, and problems of dollar exchange transfer, before embarking on large investments in Indonesia.

The prospects for Great Britain do not seem quite as bright. Before the war, Britain ranked behind Holland and ahead of the United States in volume of capital investment in Indonesia. Britain is still vitally concerned with Indonesia as a market for her exports and as a source of raw materials for her industries. A large number of experienced and competent British businessmen and traders, who have long been active in the islands, have returned since the re-occupation. Some of them came as economic officials with the returning Netherlands Indies Government. Some have made contacts with new Indonesian firms, and some have formulated far-sighted plans for future operations. Furthermore, British commercial activity in Indonesia will have the assistance of perhaps the largest and most efficient diplomatic mission in the islands. Despite these factors, it is doubtful whether Britain will be able to keep up with the pace at which American and Australian investment and trade are likely to expand—to say nothing of the Asiatic countries, which will occupy an increasingly important position in Indonesia's economic relations in the future.

In this connection the probable position of the Chinese, Arab, and Indian minorities in the new schema which is emerging in Indonesia deserves at least passing attention. These minority groups, totaling about 1,500,000 people, have traditionally constituted the "middlemen," moneylenders, shopkeepers, tradesmen and middle-class in the social and economic pattern of Indonesia. It is likely that they will continue to occupy this position in the future.

During the hostilities, the Chinese minority was in a particularly

<sup>13</sup> Cf. pp. 80 ff.

unfortunate position. Suspected by the Indonesians of pro-Dutch sympathies, and by the Dutch of pro-Indonesian inclinations, they received harsh treatment on both sides, especially from irresponsible Indonesian groups. There have, in fact, been several reported massacres of Chinese in Java by armed irregular T.R.I. units who regarded the relatively prosperous position of the Chinese as an indication of their pro-Dutch leanings. There is, however, no evidence of a strong anti-Chinese feeling among the Indonesians. In fact, there are Chinese who occupy important positions in the Republican Government itself, such as Tan Ling Djie, the Secretary of the strong Socialist Party and a leading K.N.I.P. figure, and Ong Eng Djie, former Vice-Minister of Finance and Vice-Director of the Republic's Banking and Trading Corporation.

Actually, the Chinese are primarily interested in law, order, and business, and are willing and anxious to have these provided by either or both parties. When stability returns to Indonesia, the Chinese will be able to return safely to their traditional occupations. The Arab and Indian minorities also may expect to be safe in their economic pursuits, particularly in view of the Republic's friendship with India and the Arab States.

While the pre-war middle-class minority groups of Continental Asiatics will continue to exist in the future, they will find a growing competition from the evolving Indonesian middle class. With experience and education, the developing Indonesian middle class is not only likely to make inroads into the special position formerly enjoyed by the Chinese, Arab, and Indian groups, but it will probably absorb the Eurasian middle class.

In accordance with the outlines of both Republican economic and foreign policy, it is to be expected that Indonesia will increasingly direct its political and commercial attentions toward the Pacific area, Asia, and the Middle East, rather than toward Europe, as has been the case since the seventeenth century. India, Pakistan, the Philippines and the Middle Eastern countries are not now in a position to help Indonesia in solving the economic problems which it must face, but in the long run, Indonesia's economic and political relations with these countries will expand appreciably.

There is abundant evidence confirming this tendency toward a political consolidation of the Asiatic countries, and particularly of the Asiatic countries with a colonial background. These countries have either recently won their freedom or are still struggling to win it. They are conscious of a common ideological and psychological

bond. Pandit Nehru's strong statements on behalf of the Republic are only one indication of the growing vitality of this bond. The economic and social backwardness of these countries may retard their consolidation, but the tendency in this direction is one of the outstanding features of the current Middle and Far Eastern political scene. Still another factor retarding the growth of such consolidation is the strife between the populations of India and Pakistan, which temporarily impedes the spread of the consolidating tendency westward to embrace the Moslem Arab League. Predominantly Moslem Indonesia may play a strategic role in resolving this difficulty, because of the Republic's close relations with both Hindu India and the Moslem states of the Middle East.

The fulfillment and crystallization of this tendency will certainly require considerable time. It is still far too early to deliberate on the scope of this consolidation: whether it will be a loose or well-knit entity; whether it will be political or economic in its aims—or both; whether it will be directed towards or against the West; and whether it will act as a stabilizing or a disturbing factor in international affairs. It is also too early to guess what the position of China will be in this consolidation, and whether she will be a part of it or a spectator to it. The resolution of China's own internal strife will be a decisive factor in this regard.

Notwithstanding these variables and uncertainties, it is no longer visionary to speak of the awakening and incipient consolidation of an area stretching from the Philippines in the Northeast and Indonesia in the East, to Egypt in the West. Recent events—especially those in Indonesia and India, but also in the Philippines, Indo-China, Burma, and Egypt—have demonstrated the vitality of these tendencies. The West can work with them in a spirit of acceptance and constructive help, or it can try to undermine them. The former course may earn rich economic and social rewards. The latter can only cause resentment and bitterness.

# APPENDIX



## PREAMBLE AND CONSTITUTION OF THE REPUBLIC

### *PREAMBLE*<sup>1</sup>

Since independence is the right of every nation, any form of subjugation in this world, being contrary to humanity and justice, must be abolished.

Our struggle for Indonesian independence has reached a stage of glory in which the Indonesian people are led to the gate of the Indonesian state, which is independent, united, sovereign, just and prosperous.

With the blessing of God Almighty, and moved by the highest ideals to lead a free national life, the Indonesian people hereby declare their independence.

Further, to establish a Government for the Indonesian state; to protect the whole Indonesian people and territories; to promote the public welfare; to raise the standard of living; and to participate in establishing a world order, which is founded on freedom, eternal peace and social justice; the national independence is set forth in a Constitution of the Indonesian state which is a republic resting upon the people's sovereignty, founded on the belief in God Almighty, righteous and moral humanity, the unity of Indonesia, and a democracy led by the wise guidance of the representatives' Congress ensuring social justice for the whole Indonesian people.

### *CONSTITUTION OF THE INDONESIAN REPUBLIC*<sup>2</sup>

#### CHAPTER I

#### FORM AND SOVEREIGNTY OF THE STATE

##### *Article 1*

Sect. 1. The Indonesian State is a unitary State having the form of a Republic.

<sup>1</sup> For this and the following documents, I am indebted to the Netherlands Information Bureau in N. Y. and the Republican Ministry of Information in N. Y. and Java.

<sup>2</sup> The technical structure of the Republican Gov't. has been based on the Transitory Provisions (see page 171) rather than on the provisions of the first chapters of the Constitution. Particularly, the position of Prime-Minister has grown up outside the constitutional provisions, in response to political exigencies discussed in the text.



Sect. 2. The Sovereignty shall be vested in the people and shall be fully exercised by the People's Congress.

## CHAPTER II THE PEOPLE'S CONGRESS

### *Article 2*

Sect. 1. The People's Congress consists of members of the Council of Representatives and delegates of regional territories or groups, chosen in accordance with provision prescribed by law.

Sect. 2. The People's Congress assembles in the capital at least once every five years.<sup>3</sup>

Sect. 3. All decisions of the People's Congress are taken by a majority of votes.

### *Article 3*

The People's Congress enacts the Constitution and decides the outlines of national policy.

## CHAPTER III THE POWER OF THE GOVERNMENT

### *Article 4*

Sect. 1. The President is vested with the Power of the Government in accordance with this Constitution.

Sect. 2. In executing his duties the President shall be assisted by a Vice-President.

### *Article 5*

Sect. 1. The President is vested with the legislative power in concurrence with the People's Congress.

Sect. 2. The President enacts the necessary ordinances to execute laws.

### *Article 6*

Sect. 1. The President must be an Indonesian by birth.

Sect. 2. The President and the Vice-President are elected by the Congress of People by a majority of votes.

### *Article 7*

The President and the Vice-President hold office during a term of five years, and they may be re-elected.

### *Article 8*

In case of death, removal or inability to exercise the duties of his

<sup>3</sup>The current Parliament, the Central National Indonesian Committee, has assembled in Djokjakarta at least twice each year since the Republic was formed.

office during his term, the President is replaced by the Vice-President until the end of his term.

#### *Article 9*

Before assuming the duties of his office, the President and Vice-President take an oath according to their religion, or promise solemnly before the People's Congress or the Council of Representatives, as follows:

Oath (promise) of the President (Vice-President): "I swear (promise) that I will faithfully and conscientiously fulfill the duties of President of the Republic of Indonesia (Vice-President of the Republic of Indonesia) to maintain the Constitution and to execute conscientiously all its laws and regulations, and to devote myself to serve my country and my people."

#### *Article 10*

The President shall be Commander-in-Chief of the Army, the Navy and the Airforce.

#### *Article 11*

The President, in concurrence with the Council of Representatives, declares war, makes peace, and concludes treaties with other countries.

#### *Article 12*

The President proclaims martial law. The conditions and the consequences of the martial law shall be provided by law.

#### *Article 13*

Sect. 1. The President appoints ambassadors and consuls.

Sect. 2. The President receives ambassadors and representatives of other countries.

#### *Article 14*

The President has the power to grant pardon, amnesty, extradition and reprieve.

#### *Article 15*

The President has the power to grant titles, marks of merit and other marks of honor.

### CHAPTER IV COUNCIL OF STATE

#### *Article 16*

Sect. 1. The composition of the Council of State is provided by law.

Sect. 2. This Council of State is obliged to answer questions submitted by the President and has the right to make proposals to the government.

CHAPTER V  
MINISTRIES OF STATE

*Article 17*

- Sect. 1. The President is assisted by Ministers of State.  
Sect. 2. The Ministers are appointed and discharged by the President.  
Sect. 3. The Ministers manage the Ministries.

CHAPTER VI  
LOCAL ADMINISTRATION

*Article 18*

The division of the Indonesian territory into large and small spheres, and the forms of their administration are prescribed by law, considering and respecting the principle of conference in the governmental system, and the traditional rights of particular territories.

CHAPTER VII  
COUNCIL OF REPRESENTATIVES

*Article 19*

- Sect. 1. The organization of the Council of Representatives is prescribed by law.  
Sect. 2. The Council of Representatives assembles at least once a year.

*Article 20*

Sect. 1. Every law is enacted in concurrence with the Council of Representatives.

Sect. 2. Whenever a bill is not passed by the Council of Representatives, that bill shall not be submitted for the second time during the same session of the Council of Representatives.

*Article 21*

Sect. 1. Members of the Council of Representatives have the right to submit a bill.

Sect. 2. Every bill, though passed by the Council of Representatives, but not accepted by the President, shall not be submitted for the second time during the same session of the Council of Representatives.

*Article 22*

Sect. 1. At critical times, the President has the right to enact governmental provisions replacing the law.

Sect. 2. Those governmental provisions require the agreement of the Council of Representatives during the next session.

Sect. 3. If no agreement is obtained, those provisions must be revoked.

## CHAPTER VIII

### FINANCES

#### *Article 23*

Sect. 1. The draft of the budget of receipts and expenditures is provided by law every year. If the Council of Representatives does not approve the draft of the budget proposed by the Government, then the draft of the preceding year is executed.

Sect. 2. Every form of tax on behalf of the Government is prescribed by law.

Sect. 3. The sort and the value of money is provided by law.

Sect. 4. Other matters concerning public finances are provided by law.

Sect. 5. A general Audit Office is instituted, the provisions of which are stipulated by law to control the accountability of the public finances. The findings of the office must be presented to the Council of Representatives.

## CHAPTER IX

### THE JUDICIARY POWER

#### *Article 24*

Sect. 1. The Judiciary Power is executed by the Supreme Court and other courts as may be established by law.

Sect. 2. The organization and competence of those courts shall be provided by law.

#### *Article 25*

The conditions for becoming judge and being discharged from this office are provided by law.

## CHAPTER X

### CITIZENSHIP

#### *Article 26*

Sect. 1. Citizens are Indonesians by birth, and persons of other nationality who are regarded as such by law.

Sect. 2. Matters concerning citizenship are provided for by law.

#### *Article 27*

Sect. 1. All citizens have the same position in the law and the govern-

ment, and are without exception obliged to respect the law and the government.

Sect. 2. Every citizen is entitled to work and to a reasonable standard of living.

*Article 28*

The right of free assemblage, the right to express one's opinion orally or in writing, etc. shall be provided by law.

CHAPTER XI

RELIGION

*Article 29*

Sect. 1. The State is based upon the faith in the All-Embracing God.

Sect. 2. The State guarantees the freedom of the people to profess their own religion and to fulfill their religious duties.

CHAPTER XII

DEFENSE

*Article 30*

Sect. 1. Every citizen is entitled and obliged to participate in the defense of the State.

Sect. 2. Matters concerning national defense are provided by law.

CHAPTER XIII

EDUCATION

*Article 31*

Sect. 1. Every citizen is entitled to education.

Sect. 2. The Government establishes a system of national education provided by law.

*Article 32*

The Government promotes the national culture of Indonesia.

CHAPTER XIV

SOCIAL WELFARE

*Article 33*

Sect. 1. The economy is organized cooperatively based on principles of the Family State.

Sect. 2. Branches of production which are important for the State and which dominate the life of most people, are regulated by the State.

Sect. 3. Land and water and natural riches therein are regulated by the State and shall be used for the greatest possible prosperity of the people.

*Article 34*

The State takes cares of the poor and the uncared-for children.

CHAPTER XV  
FLAG AND LANGUAGE

*Article 35*

The flag of the Republic of Indonesia is the Red and White Flag.

*Article 36*

The official language is the Indonesian language.

CHAPTER XVI  
MODIFICATIONS OF THE CONSTITUTION

*Article 37*

Sect. 1. To modify the Constitution, there must be present at least two-thirds of the total members of the People's Congress.

Sect. 2. Decision shall be made in concurrence with at least two-thirds of the total members who are present.

TRANSITORY PROVISIONS

Sect. I. The Committee for the Preparation of the Independence of Indonesia regulates and prepares the transition of the government to the Indonesian government.

Sect. II. All existing official institutions and laws shall be in force until new ones are instituted in accordance with the Constitution.

Sect. III. For the first time the President and Vice-President will be elected by the Preparatory Committee for the Independence of Indonesia.

Sect. IV. Before the People's Congress, the Council of Representatives and the Council of State are elected in accordance with the Constitution, their competences will be exercised by the President assisted by a National Committee.

August 17, 1945.

## POLITICAL MANIFESTO OF THE INDONESIAN GOVERNMENT<sup>1</sup>

### *Announcement of the Government of the Republic of Indonesia*

Below we publish the announcement of the Government of the Republic which has been formulated by the Working Committee of the Indonesian National Convention. This declaration contains the policy of the Government.

The Vice-President  
Mohammed Hatta.  
Djakarta, 1 November 1945.

### *Political Manifesto of the Government of Indonesia*

After more than two months of stating, in various manners, that we wish to be an independent nation, it is necessary in this stage of our struggle for freedom, now that the world is coming to scrutinize our point of view, to prove that we are advancing with a serene countenance and an open mind, on the grounds of righteousness and humanitarianism and on the basis of a sound intelligence.

When the Netherlands Government in Indonesia, without apparent struggle, surrendered to the Japanese in Bandoeng on March 9, 1942, our unarmed population fell prey to the hard and cruel Japanese Militarism. For three and a half years our people were oppressed under a harshness which they had never before experienced throughout the last several decades of Netherlands Colonial rule. Our people were treated as worthless material to be wasted in the process of warfare. From the lowly stations of people who were forced to compulsory labor and slavery, and whose crops were stolen, to the intellectuals who were forced to propagate lies and deceive the people, the grip of Japanese Militarism was felt. The tribulations felt by our people, physically as well as spiritually, during these three and a half years, can be termed boundless. Our entire population was forced to report and become subject to the military orders of the Japanese. It is this stamp of Japanese Militarism which the Japanese overlord has left on the minds of our people and especially our youth. For this Dutch Colonialism is responsible, in that it left our 70,000,000 people to the mercies of Japanese Militarism without any means of protecting themselves since they had never been entrusted with firearms and the education necessary to use them in the turning point of history on March 9, 1942.

<sup>1</sup> Written by Sjahrir. Translated from the original by the author.

In spite of these overwhelming difficulties, our people appraised the true value of Netherlands Colonialism. Never before were the shortcomings so apparent as when the nation was left in the situation already alluded to. Clearly manifested was the weakness and hollowness of the structure of Netherlands Colonialism and from that moment a new realization was born in our people, a national feeling that was sharper than ever before. This feeling of national awareness was also sharpened by the Japanese propaganda for pan-Asianism.

The oppression of the Japanese could not prevent the growth of the Indonesian national movement. During the three and a half years of Japanese occupation, the whole state-organization and branches which had been under the leadership of the Dutch, were handled by the Indonesians under the direction of the incompetent Japanese. . . . Our nation acquired a greater confidence and our national awareness became sharper toward the Japanese as well as toward other nations. The millions of people lost during the occupation . . . must be attributed to the inadequate preparation which we were given by the Dutch. Because of these facts the Dutch have not the moral right to accuse us of having cooperated with the Japanese. . . .

Our national feeling also made itself felt toward the Japanese in illegal ways, as well as openly, through sabotage and other ways, as can be proved from the fact that thousands of our movement's adherents were sentenced, tortured, killed and persecuted. The revolts of Tasikmalaja, Indramajoe, Blitar, on Sumatra, West-Borneo and many other places bear testimony to these facts.

Others of our nationalists tried to show their nationalism through legal ways, and had of course to cooperate with the Japanese, to march and to shout with them in their ranks.

How strong nationalism actually was, is proven by those who were working with the Japanese, as they continued to support their democratic ideas, even though they were forced to march in the Japanese totalitarian ranks. This fact can be proved by our constitution which is based on a democratic foundation and which was composed during the Japanese occupation.

With the proclamation of independence of Indonesia on August 17, 1945, the National Movement reached its peak and dedicated itself to the resolution to make concrete our nation's sovereignty.

Our entire nation became entangled in this mighty national movement, which was like a tidal wave sweeping everything in its wake.

During this time the Japanese surrendered to the Allies. For the world and in particular for the countries which took part in the erecting of the Organization of the United Nations in San Francisco, the problem arose of how the Netherlands sovereignty (recognized by the U.N.) should be



applied to the Indonesian people, who had already proclaimed their sovereignty.

. . . The strength of our national feeling, however, cannot and will not be broken by the might of a modern army.

As long as the world does not know what to do in regard to the Netherlands' talk of enforced sovereignty over the Indonesians . . . so long the world will not benefit from this rich country.

In the first place the neighboring countries, such as Australia, the Philippines and the United States of America, will feel the loss; and especially the United States of America on which the whole of Asia builds its hopes and from which Indonesia also expects her greatest help in the future, to help the country to develop further and to bring the standard of living of the people to a higher level.

. . . We on our side do not harbor the idea of force against any other people. We merely want the freedom to govern ourselves and to bring this government to perfection.

We realize that this new position of our country places a heavy responsibility on our shoulders toward the world. We do not harbor any hate toward other groups: neither the Dutch, nor the Indo-European, the Ambonese or the Menadonese—who in reality belong to our people. Even more, we understand and are aware that for the present benefit of our people and country, we cannot do without the help of foreign countries in the building up of our country. We need technical skill, intellectual aid and foreign capital. In this regard we will not be blind to the fact that the Dutch will of course be more qualified to give us this help as they know the country, the people, and the *adat*.<sup>2</sup> This means then that the realization of our independence need not mean a great loss to the Dutch materially or spiritually, but of course it goes without saying that the Dutch political position will be greatly altered.

We are convinced that our country, with all its riches and plenty, when exploited with the object of improving the living standard of our people and of the world in general, will still allow sufficient scope for all countries—in particular for the U.S.A., Australia and the Philippines—to take part in the rehabilitation of our people and our economy.

This can, however, only become a reality when the conflict concerning our sovereignty has come to an end; that is to say, by the recognition of our right of self-determination and in the recognition of the State and Government which we have already chosen. Not only we, and presumably the Dutch, are interested in a speedy solution, but the whole world which is looking eagerly to our country and people, because of the dire needs which exist in the world today. With the recognition of our independence we are prepared to take the responsibility which our position calls for. We are prepared to take over, and be responsible for,

<sup>2</sup> Customary folk law.

all debts of the Netherlands Indies Government which were made before the Japanese capitulation.

All property of foreigners, with the exception of those which are necessary for exploitation by the State itself, will be handed to the legal owners, while property taken over by the State will be compensated for by the most reasonable methods.

Also we will strive to live in harmony with our neighbors and the whole world in general, and to become a member of the United Nations.

Soon a general election will be held to show that democratic ideals and principles are indeed basic to our social and political life. The possibility exists that as a result of the election, the government will be replaced and our Constitution modified in agreement with the will of the majority of our people.<sup>3</sup>

For the citizens and all residents in general, extensive welfare plans will be put into action that will in all probability need large foreign credits and large quantities of industrial products from the U.S.A., Australia, and other countries which will be trading with us. To each foreign resident, including the Dutch, safety for his business will be guaranteed as long as he adheres to the laws of the country.

As soon as we have the chance to use our full strength in the rehabilitation of our country and people, we will—with the greatest speed—guarantee and make concrete the rights of our people in accordance with the ideas of the United Nations; that is to say, we will establish a nation which does not alone strive for freedom of expression, freedom of conviction and religion, freedom from arbitrary force and fear, and freedom from want, but also for the public health and intellectual betterment through hygienic tutoring and modern education for the entire people and for all classes of foreign residents. . . .

We shall undoubtedly be in a position to contribute to universal culture when we are given full opportunity as a nation whose position is on a level with that of the other peoples of the world.

### TEXT OF THE LINGGADJATI (CHERIBON) AGREEMENT

*Signed on March 25, 1947, Between the Netherlands Commission-General and the Delegation of the Republic of Indonesia*

Preamble. The Netherlands Government, represented by the Commission-General for the Netherlands Indies, and the Government of the Republic of Indonesia, represented by the Indonesian delegation, moved by a sincere desire to insure good relations between the peoples of The

<sup>3</sup> No popular elections had been held in Indonesia up to the first months of 1948.

Netherlands and Indonesia in new forms of voluntary cooperation which offer the best guarantee for sound and strong development of both countries in the future and which make it possible to give a new foundation to the relationship between the two peoples; agree as follows and will submit this agreement at the shortest possible notice for the approval of the respective parliaments:

Article I. The Netherlands Government recognizes the Government of the Republic of Indonesia as exercising *de facto* authority over Java, Madura and Sumatra. The areas occupied by Allied or Netherlands forces shall be included gradually, through mutual cooperation, in Republican territory. To this end, the necessary measures shall at once be taken in order that this inclusion shall be completed at the latest on the date mentioned in Article XII.

Article II. The Netherlands Government and the Government of the Republic shall cooperate in the rapid formation of a sovereign democratic state on a federal basis to be called the United States of Indonesia.

Article III. The United States of Indonesia shall comprise the entire territory of the Netherlands Indies with the provision, however, that in case the population of any territory, after due consultation with the other territories, should decide by democratic process that they are not, or not yet, willing to join the United States of Indonesia, they can establish a special relationship for such a territory to the United States of Indonesia and to the Kingdom of the Netherlands.

Article IV. The component parts of the United States of Indonesia shall be the Republic of Indonesia, Borneo, and the Great East without prejudice to the right of the population of any territory to decide by democratic process that its position in the United States of Indonesia shall be arranged otherwise.

Without derogation of the provisions of Article III and of the first paragraph of this Article, the United States of Indonesia may make special arrangements concerning the territory of its capital.

Article V. The constitution of the United States of Indonesia shall be determined by a constituent assembly composed of the democratically nominated representatives of the Republic and of the other future partners of the United States of Indonesia to which the following paragraph of this article shall apply.

Both parties shall consult each other on the method of participation in this constituent assembly by the Republic of Indonesia, by the territories not under the authority of the Republic and by the groups of the population not, or insufficiently, represented with due observance of the responsibility of the Netherlands Government and the Government of the Republic, respectively.

Article VI. To promote the joint interests of The Netherlands and Indonesia, the Netherlands Government and the Government of the Re-

public of Indonesia shall cooperate in the establishment of a Netherlands Indonesian Union by which the Kingdom of the Netherlands, comprising The Netherlands, The Netherlands Indies, Surinam and Curaçao, shall be converted into said Union consisting on the one hand of the Kingdom of the Netherlands, comprising The Netherlands, Surinam and Curaçao, and on the other hand the United States of Indonesia.

The foregoing paragraph does not exclude the possibility of a further arrangement of the relations between The Netherlands, Surinam and Curaçao.

Article VII. A. The Netherlands Indonesian Union shall have its own organs to promote the joint interests of the Kingdom of the Netherlands and the United States of Indonesia.

B. These organs shall be formed by the Governments of the Kingdom of the Netherlands and the United States of Indonesia and, if necessary, by the parliaments of those countries.

C. The joint interests shall be considered to be cooperation on foreign relations, defense and, as far as necessary, finance as well as subjects of an economic or cultural nature.

Article VIII. The King (Queen) of The Netherlands shall be at the head of the Netherlands Indonesian Union. Decrees and resolutions concerning the joint interests shall be issued by the organs of the Union in the King's (Queen's) name.

Article IX. In order to promote the interests of the United States of Indonesia in The Netherlands and of the Kingdom of the Netherlands in Indonesia, a High Commissioner shall be appointed by the respective Governments.

Article X. Statutes of the Netherlands Indonesian Union shall, furthermore, contain provisions regarding:

A. Safeguarding of the rights of both parties towards one another and guarantees for the fulfillment of their mutual obligations.

B. Mutual exercise of civil rights by Netherlands and Indonesian citizens.

C. Regulations containing provisions in case no agreement can be reached by the organs of the Union.

D. Regulation of the manner and conditions of the assistance to be given by the services of the Kingdom of the Netherlands to the United States of Indonesia as long as the services of the latter are not, or are insufficiently, organized; and

E. Safeguarding in both parts of the Union of the fundamental human rights and liberties referred to in the Charter of the United Nations Organization.

Article XI. A. The Statutes of the Netherlands Indonesian Union shall be drafted by a conference of representatives of the Kingdom of the Netherlands and the future United States of Indonesia.

B. The statutes shall come into effect after approval by the respective parliaments.

Article XII. The Netherlands Government and the Government of the Republic of Indonesia shall endeavor to establish the United States of Indonesia and the Netherlands Indonesian Union before January 1, 1949.

Article XIII. The Netherlands Government shall forthwith take the necessary steps in order to obtain the admission of the United States of Indonesia as a member of the United Nations Organization immediately after the formation of the Netherlands Indonesian Union.

Article XIV. The Government of the Republic of Indonesia recognizes the claims of all non-Indoncsians to the restoration of their rights and the restitution of their goods as far as they are exercised or to be found in the territory over which it exercises *de facto* authority. A joint commission will be set up to effect this restoration and restitution.

Article XV. In order to reform the Government of the Indies in such a way that its composition and procedure shall conform as closely as possible to the recognition of the Republic of Indonesia and to its projected constitutional structure, the Netherlands Government, pending the realization of the United States of Indonesia and of the Netherlands Indonesian Union, shall forthwith initiate the necessary legal measures to adjust the constitutional and international position of the Kingdom of the Netherlands to the new situation.

Article XVI. Directly after the conclusion of this agreement, both parties shall proceed to reduce their armed forces. They will consult together concerning the extent and rate of this reduction and their cooperation in military matters.

Article XVII. A. For the cooperation between the Netherlands Government and the Government of the Republic contemplated in this agreement, an organization shall be called into existence of delegations to be appointed by each of the two Governments with a joint secretariat.

B. The Netherlands Government and the Government of the Republic of Indonesia shall settle by arbitration any dispute which might arise from this agreement and which cannot be solved by joint consultation in conference between those delegations. In that case a chairman of another nationality with a deciding vote shall be appointed by agreement between the delegations or, if such agreement cannot be reached, by the President of the International Court of Justice.

Article XVIII. This agreement shall be drawn up in the Netherlands and Indonesian languages. Both texts shall have equal authority.

TRANSLATION OF LETTER FROM SJAHRIR TO  
THE COMMISSION-GENERAL DATED  
JUNE 23, 1947

In reply to your letter of the 21st of June,<sup>1</sup> in which you ask for an elucidation of the cursory wording of our letter of June 20, we wish first to say that this letter must indeed be regarded as an effort on our part to bridge the gap which exists between the viewpoints contained in the notes exchanged between the two delegations.

The significance of this effort is, in our opinion, somewhat underestimated if you suppose it to be limited to our acceptance of the position of the representative of the crown in the interim-government in the way mentioned by you in the third paragraph of your letter.

This acceptance also puts our other proposals in another light. For instance, our proposals regarding foreign relations were governed by our viewpoint concerning the interim-government. Therefore the consequence of the acceptance of your construction is that in this respect, too, the proposals of the two delegations have come closer together.

As you ask in your letter how far our agreement goes regarding the establishment of federal organizations, we can inform you that we have no objections to these organizations as such. The differences that are still existing between our two proposals concerning the federal economic organization, can, in our opinion, be solved in further conferences, with the participation of representatives of East Indonesia and Borneo.

Special mention, however, should be made of the directorate of internal security proposed by our delegation. We can agree with your idea to establish such a body under the interim-government.

However, in our opinion, your proposal necessitates further discussion as regards the composition and working method of this organization. For on your side no suggestion concerning the composition of this body has been made other than your proposal that "a number of civil and military authorities, Dutch as well as Indonesians, should be members of the directorate." Whereas, in the next paragraph of this proposal, the possibility is mentioned (you speak about "could") that the proposal for the *occupied territories*, contained in the preceding paragraph, could form a basis for a combined gendarmerie.

In order to avoid any misunderstanding regarding this idea, our delegation now wishes you to note that the maintenance of law and order in the Republican territory should be first and foremost the duty of the Republican government.

So while the delegation does not oppose cooperation in the federal

<sup>1</sup> See p. 122.

sphere, as is apparent from the acceptance of your idea to establish a directorate for internal security, this cooperation must, in the opinion of the delegation, have as a basis the recognition of the special responsibility of each future partner in the federation.

Cooperation on this basis is in practice fully conceivable in connection with the maritime police and in the form of providing equipment and instruction for the police of the different states. In the opinion of our delegation this whole question requires further thorough discussion between all the interested parties.

From the foregoing it is apparent that further conferences concerning the various matters are required, as is apparent also from the contents of the proposals of your delegation.

We adhere to our opinion that such discussions can best be entrusted to an interim-government, to be established within the shortest possible time.

The new federal organizations to be formed will derive their authority from the interim-government which will have authority over them. Further discussions regarding the composition of these organizations and the definition of their tasks should therefore preferably be delegated to the interim-government.

Signed: Sjahrir,  
Chairman, Indonesian Delegation

TEXT OF THE UNITED STATES *AIDE MEMOIRE*  
TO THE INDONESIAN REPUBLIC, DELIVERED  
ON JUNE 27, 1947

The United States Government is gratified by preliminary reports that the representatives of the Indonesian Republic and the Netherlands Government have made substantial progress towards an agreement for the prompt formation of an interim federal government for all Indonesia. The United States Government viewed with increasing alarm the danger inherent in failure to implement the Linggadjati Agreement. The United States must necessarily be concerned with the developments in Indonesia because of the importance of Indonesia as a factor in world stability, both economic and political. It wishes, therefore, to stress to the Indonesian Republic the suffering likely to result from a further deadlock. It wishes also to point out the benefits which flow from a prompt agreement and a cooperative endeavor to overcome the problems with which Indonesia is confronted.

The United States Government believes that the immediate formation of an interim central government for Indonesia, established upon the

principle of federation as proposed by the Netherlands Government and accepted in principle by the Indonesian Republic, is urgently necessary. From the reading of the Linggadjati Agreement, it is clear that a transition period is envisaged (between now and January 1, 1949), during which the Netherlands is to retain sovereignty and ultimate authority in Indonesia. The United States Government, therefore, urges the Indonesian Republic to cooperate without delay in the immediate formation of an interim federal government. It is confident that when agreement thereon shall have been achieved, the remaining issues can be resolved in a spirit of goodwill.

It is the expectation of the United States Government that establishment of an interim government on a basis of mutual benefits for both sides will provide the political stability essential to the development of a positive program for economic rehabilitation. The United States Government is prepared, therefore, after the interim government shall have been established and mutual cooperation along a constructive path assured, to discuss, if desired, with representatives of the Netherlands and the interim government (including representatives of the Republic and other constituent areas) financial aid to assist the economies and rehabilitation of Indonesia.

MEMORANDUM OF JULY 20, 1947, FROM THE  
LIEUTENANT GOVERNOR GENERAL TO THE  
GOVERNMENT OF THE REPUBLIC  
OF INDONESIA

On behalf of the Netherlands Government, I am compelled, to my own regret and that of the Government, to communicate to you the following:

The rejection of the latest proposals, which I submitted to your Prime Minister on the 15th of this month, has convinced the Netherlands Government that the Government of the Republic is either not prepared or unable to carry out the Truce concluded on October 14, 1946, and the Agreement concluded on March 25, 1947, in a manner meeting the reasonable demands in that respect.

The facts have proven that the Republican armed forces have never really lived up to the Truce. Continuously, hostilities on the Indonesian side have occurred on the demarcation lines, hostilities that were directed both against our armed forces and against the populace within the territory under our protection. In some cases, these attacks assumed such an organized character and they were so evidently ordered or approved by the military leaders of the Republic, that we were compelled



to take forcible measures against these actions and to endeavor to create a safer and more tolerable situation by certain extensions of the occupied territory.

But even these limited measures and the subsequent negotiations did not lead to a cessation of hostilities on the Indonesian side.

Neither has there ever been a cessation of the acts of violence from Republican territory against the parts of Indonesia outside the Republic. Not even the recent dismissal of the Republican governors of these territories, who had been maintained in contravention of the Linggadjati Agreement, brought with it a cessation of activities of the organizations within the Republic whose aim it is to keep alive, through violent means, the unrest and agitation in certain areas of East Indonesia and Borneo.

The isolation of certain cities, such as Medan, from the surrounding Republican territory, as a result of which important population groups and especially the Chinese were threatened with famine, has not been lifted, in spite of the promise and statement from the Republican side that orders would be given within a week and indeed have been given.

In addition, particularly during the last months, the destruction inside and outside the demarcation lines have not been halted; to the contrary, during the last weeks they have assumed an increasingly grave character.

Finally, the Republican Government has also refused to take definite measures that actually could have led to a cessation of hostilities without infringing on the authority of the Republic. The Republican Government has receded to a proposal which actually is nothing but a repetition of the former stipulations of the Truce which never have been carried out by the Republican commanders, not even in territories such as Modjokerto for which measures for demilitarization had been agreed upon.

As regards the Linggadjati Agreement, on May 27 the Commission-General communicated to the Republican Government a number of final proposals. Of these proposals, a certain part was accepted—on paper at least—after difficult and prolonged consultation.

Among these was the proposal of the Netherlands Government for a speedy and broad execution of Article 15 through the establishment of the federal council, which essentially would form the government during the transition period, albeit with the preservation of the *de jure* authority of the Representative of the Crown.

Furthermore, and without explicit preservation [*sic*], a proposal was accepted concerning foreign relations, a proposal which in effect is no more than a very broad execution of what was explicitly agreed in this respect. Nevertheless, both after the signing of the Agreement and after the above-mentioned acceptance of these proposals, the Republican Government has continued to enter into foreign relations that are in

direct conflict with the Agreement, and to maintain functionaries who have no place in the system that was agreed upon.

The acceptance of the economic proposals can be viewed only if linked with the proposal concerning the special police, as without a really effective joint apparatus for the restoration and maintenance of order and safety, the execution of these economic proposals must be considered impossible. This last proposal, however, was rejected by the Republican Government as far as its main feature, namely the cooperation between Netherlands and Indonesian units, was concerned.

Under these circumstances, the Netherlands Government must state that, after so long and fruitless an effort to obtain a really peaceful cooperation from the Republican side, the Netherlands Government can no longer consider itself bound, in its dealings with the Republic, either to the Truce or to the Linggadjadi Agreement. The Netherlands Government cannot continue to bear responsibility for a situation which is untenable in itself and which must lead to an increasing weakening of the economic and spiritual foundations, on which alone the sovereign United States of Indonesia and the Netherlands-Indonesian Union can be built speedily and solidly.

The Netherlands Government, therefore, recovers its freedom of action and will take such measures that will make an end to this untenable situation and which will create conditions of order and safety which will render possible the execution of the above-named program, as it is expressed in the Linggadjadi Agreement.

## INTERESTS OF AMERICAN FIRMS IN INDONESIA

After extensive rehabilitation work, the Standard-Vacuum Oil Company has put its huge \$100,000,000 Sungei Gerong refinery in Palembang, Sumatra, in operating condition again. As soon as the rich fields outside Palembang can be drilled, Sungei Gerong will resume its operations on a large scale. It also appears that the California-Texas Oil Company, which before the war had only engaged in explorative operations in Sumatra, is ready to expand its investment and produce crude oil in growing quantities. Like Dutch Shell, the American oil companies have been aware that both S.O.B.S.I. and the Republican Government will require the payment of higher wages and other improvements in pre-war working conditions. The two companies have already held tentative discussions with the Republic on these matters and on the terms of their operating concessions.

(There are still other indications that American capital will expand its investments in Indonesia. The large Goodyear tire factory in Buitenzorg is apparently anxious to increase its production of automobile and truck

tires and tubes, and bicycle tires. It is, in fact, possible that this production will be expanded not only to accommodate the large demand in Indonesia, but that of other areas in Eastern Asia as well. One rubber expert recently remarked that Java might even become the tire center for the whole Far Eastern market, because of its economic and geographical production advantages. With Java's abundant supplies of labor and crude rubber, tires can be produced efficiently and cheaply. Expensive clay filler does not have to be imported from the United States, and natural rubber can be used in its place. Java tires can have a higher percentage of natural rubber at a cheaper price than is possible elsewhere.

It is also not improbable that when the political situation is stabilized, the General Motors Overseas Corporation may expand its investment in Indonesia beyond the assembly factory it already has in Batavia. >

#### THE TRUCE AGREEMENT BETWEEN THE GOVERNMENT OF THE NETHERLANDS AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA, SIGNED AT THE FOURTH MEETING ON JANUARY 17, 1948

. The Government of the Kingdom of the Netherlands and the Government of the Republic of Indonesia referred to in this agreement as the parties hereby agree as follows:

1. That a stand-fast and cease-fire order be issued separately and simultaneously by both parties immediately upon the signing of this agreement and to be fully effective within forty-eight hours. This order will apply to the troops of both parties along the boundary lines of the areas described in the proclamation of the Netherlands Indian Government on August 29, 1947, which shall be called the status quo line and in the areas specified in the following paragraph.

2. That in the first instance and for the time being demilitarized zones be established in general conformity with the above-mentioned status quo line. These zones as a rule will comprise the territories between this status quo line and on one side the line of the Netherlands forward positions and on the other side the line of the Republican forward positions, the average width of each of the zones being approximately the same.

3. That the establishment of the demilitarized zones in no way prejudices the rights, claims or position of the parties under the resolutions of the Security Council of August 1, 25 and 26 and November 1, 1947.

4. That upon acceptance of the foregoing by both parties the Committee will place at the disposal of both parties its military assistants

who will be instructed to assume in the first instance responsibility for determining whether any incident requires enquiry by the higher authorities of either or both parties.

5. That pending a political settlement the responsibility for the maintenance of law and order and of security of life and property in the demilitarized zones will remain vested in the civil police forces of the respective parties (the term civil police does not exclude the temporary use of military personnel in the capacity of civil police, it being understood that the police forces will be under civil control). The Committee's military assistants will be available to advise the appropriate authorities of the parties and to serve in such other proper capacities as may be requested; among others they should:

A. Call upon pools of police officers established by each party in its demilitarized zone to accompany the military assistants in their endeavors and moves throughout that demilitarized zone. Police officers of one party will not move into and throughout the demilitarized zone of the other party unless accompanied by a military assistant of the Committee of Good Offices and a police officer of that other party.

B. Promote cooperation between the two police forces.

6. That trade and intercourse between all areas should be permitted as far as possible. Such restrictions as may be necessary will be agreed upon by the parties with the assistance of the Committee and its representatives if required.

7. That this agreement shall include all the following points already agreed to in principle by the parties:

A. To prohibit sabotage, intimidation and reprisals, and other activities of a similar nature against individuals, groups of individuals and property, including destruction of property of any kind and by whomsoever owned and to utilize every means at their command to this end.

B. To refrain from broadcasts or any other form of propaganda aimed at provoking or disturbing troops and civilians.

C. To initiate broadcasts and institute other measures to inform all troops and civilians of the delicate situation and the necessity for strict compliance with the provisions sub (A) and (B).

D. To provide full opportunity for observation by military and civil assistants of the Committee of Good Offices.

E. To cease immediately the publication of a daily operational communique or any other information about military operations unless by prior mutual agreement in writing, except weekly publication of lists of individuals (giving names, numbers and home addresses) who have been killed or have died as a result of injuries received in action.

F. To accept the principle of the release of prisoners by each party and to commence discussions with a view to the most rapid and convenient implementation thereof, the release in principle to be without regard to the number of prisoners held by either party.

8. That on the acceptance of the foregoing the Committee's military assistants will immediately conduct enquiries to establish whether and where, especially in West Java, elements of the Republican military forces continue to offer resistance behind the present forward positions of the Netherlands forces. If the enquiry establishes the existence of such forces these would withdraw as quickly as practicable and in any case within 21 days as set out in the following paragraph.

9. That all forces of each party in any area accepted as a demilitarized zone or in any area on the other party's side of a demilitarized zone will, under the observation of military assistants of the Committee and with arms and warlike equipment, move peacefully to the territory on the party's own side of the demilitarized zones. Both parties undertake to facilitate a speedy and peaceful evacuation of the forces concerned.

10. This agreement shall be considered binding unless one party notifies the Committee of Good Offices and the other party that it considers the truce regulations are not being observed by the other party and that this agreement should therefore be terminated.

For the Government of the Kingdom of the Netherlands:

Raden Abdoelkadir Widjojoatmodjo  
Chairman of the delegation

For the Government of the Republic of Indonesia:

Dr. Amir Sjarifoeddin  
Chairman of the delegation

The signatures appearing above were hereunto subscribed this 17th day of January, 1948 on board the USS *Renville* in the presence of the representatives of the United Nations Security Council Committee of Good Offices on the Indonesian question and the Committee Secretary, whose signatures are hereunto subscribed as witnesses,

Chairman:	Mr. Justice Richard C. Kirby (Australia)
Representatives:	Mr. Paul van Zeeland (Belgium)
	Dr. Frank P. Graham (United States)
Secretary:	Mr. T. G. Narayanan

#### PRINCIPLES FORMING AN AGREED BASIS FOR THE POLITICAL DISCUSSIONS ACCEPTED AT THE FOURTH MEETING ON JANUARY 17, 1948

The Committee of Good Offices has been informed by the delegation of the Kingdom of the Netherlands and by the delegation of the Republic of Indonesia that the truce agreement having been signed their governments accept the following principles on which the political discussions will be based:

1. That the assistance of the Committee of Good Offices be continued in the working out and signing of an agreement for the settlement of the political dispute in the islands of Java, Sumatra and Madura, based upon the principles underlying the Linggadjati Agreement.

2. It is understood that neither party has the right to prevent the free expression of popular movements looking toward political organizations which are in accord with the principles of the Linggadjati Agreement. It is further understood that each party will guarantee the freedom of assembly, speech and publication at all times, provided that this guarantee is not construed so as to include the advocacy of violence or reprisals.

3. It is understood that decisions concerning changes in administration of territory should be made only with the full and free consent of the populations of those territories and at a time when the security and freedom from coercion of such populations will have been ensured.

4. That on the signing of the political agreement provision be made for the gradual reduction of the armed forces of both parties.

5. That as soon as practicable after the signing of the truce agreement economic activity, trade, transportation and communications be restored through the cooperation of both parties taking into consideration the interests of all the constituent parts of Indonesia.

6. That provision be made for a suitable period of not less than six months nor more than one year after the signing of the agreement during which time uncoerced and free discussion and consideration of vital issues will proceed; at the end of this period free elections will be held for self-determination by the people of their political relationship to the United States of Indonesia.

7. That a constitutional convention be chosen according to democratic procedure to draft a constitution for the United States of Indonesia.

8. It is understood that if, after signing the agreement referred to in item 1, either party should ask the United Nations to provide an agency to observe conditions at any time up to the point at which sovereignty is transferred from the Government of the Netherlands to the Government of the United States of Indonesia, the other party will take this request in serious consideration. The following four principles are taken from the Linggadjati Agreement:

9. Independence for the Indonesian peoples.

10. Cooperation between the peoples of the Netherlands and Indonesia.

11. A sovereign state on a federal basis under a constitution which will be arrived at by democratic processes.

12. A union between the United States of Indonesia and other parts of the Kingdom of the Netherlands under the King of the Netherlands.

Confirmed for the Government of the Kingdom of the Netherlands:

Raden Abdoelkadir Widjoatmodjo, Chairman of the delegation

Confirmed for the Government of the Republic of Indonesia:

Dr. Amir Sjarifoeddin, Chairman of the delegation

The representatives on the United Nations Security Council Committee of Good Offices on the Indonesian question and the Committee Secretary, whose signatures are hereunto subscribed on this 17th day of January 1948 on board the USS *Renville*, testify that the above principles are agreed to as a basis for the political discussions.

Chairman:	Mr. Justice Richard C. Kirby (Australia)
Representatives:	Mr. Paul van Zeeland (Belgium)
	Dr. Frank P. Graham (United States)
Secretary:	Mr. T. G. Narayanan

SIX ADDITIONAL PRINCIPLES FOR THE NEGOTIATIONS TOWARD A  
POLITICAL SETTLEMENT SUBMITTED BY THE COMMITTEE OF GOOD  
OFFICES AT THE FOURTH MEETING ON JANUARY 17, 1948

The Committee of Good Offices is of the opinion that the following principles among others form a basis for the negotiations toward a political settlement:

1. Sovereignty throughout the Netherlands Indies is and shall remain with the Kingdom of the Netherlands until after a stated interval the Kingdom of the Netherlands transfers its sovereignty to the United States of Indonesia. Prior to the termination of such stated interval the Kingdom of the Netherlands may confer appropriate rights, duties and responsibilities on a provisional federal government of the territories of the future United States of Indonesia. The United States of Indonesia when created will be a sovereign and independent state in equal partnership with the Kingdom of the Netherlands in a Netherlands Indonesian Union, at the head of which shall be the King of the Netherlands. The status of the Republic of Indonesia will be that of a state within the United States of Indonesia.

2. In any provisional federal government created prior to the ratification of the constitution of the future United States of Indonesia all states will be offered fair representation.

3. Prior to the dissolution of the Committee of Good Offices either party may request that the services of the Committee be continued to assist in adjusting differences between the parties which relate to the political agreement and which may arise during the interim period. The other party will interpose no objection to such a request. This request would be brought to the attention of the Security Council of the United Nations by the Government of the Netherlands.

4. Within a period of not less than six months or more than one year from the signing of this agreement a plebescite will be held to determine whether the populations of the various territories of Java, Madura and Sumatra wish their territory to form part of the Republic of Indonesia

or another state within the United States of Indonesia, such plebescite to be conducted under observation by the Committee of Good Offices, should either party in accordance with the procedure set forth in paragraph 3 above request the services of the Committee in this capacity. The parties may agree that another method for ascertaining the will of the populations may be employed in place of a plebescite.

5. Following the delineation of the States in accordance with the procedure set forth in paragraph 4 above, a constitutional convention will be convened through democratic procedures to draft a constitution for the United States of Indonesia. The representation of the various states in the convention will be in proportion to their populations.

6. Should any state decide not to ratify the constitution and desire, in accordance with the principles of articles 3 and 4 of the Linggadjadi Agreement, to negotiate a special relationship with the United States of Indonesia and the Kingdom of the Netherlands, neither party will object.

## RADIO ADDRESS OF QUEEN WILHELMINA OF THE NETHERLANDS, DELIVERED FROM THE HAGUE, FEBRUARY 3, 1948, TO THE PEOPLE OF THE UNITED STATES AND GREAT BRITAIN

To those who were our allies in the war I want to address a few words.

I want you to know that the peoples of our Commonwealth have reached a memorable goal.

A free federated Indonesia is about to take her place among the democratic nations of the world.

Seven years ago when Holland was under Nazi oppression I announced to my countrymen the intention to establish a new relationship between the Netherlands and the other parts of our Commonwealth.

A year later, in the midst of the war, an outline of the new relationship was traced.

Today this partnership is a living reality rapidly taking final shape. The United States of Indonesia forming a Union with the Kingdom of the Netherlands, Surinam and the Antilles.

In the darkest period of the war the great President, my unforgettable friend, together with Britain's valiant champion for freedom, found a permanent expression for our common purpose which reached even beyond the immediate aim of each country's independence.



We were to make the world free from fear and free from want, to make it a place where man would be free to worship God in his own way and free to speak his mind.

It makes me happy that men in Indonesia and here have found the wisdom and the skill to create forms of government that will guarantee to many people all the freedoms and the rights for which you our allies and we fought together.

They have still a long way to go.

The common man is far from being free from fear and want in those parts of Indonesia where terrorists are still committing manslaughter, pillage and arson.

Indonesians and Dutch have to fight this common foe in full co-operation.

There, as in other places of the world, the powers of anarchy and disorder that try to prevent the peoples from recovering must be overcome.

I am confident that these obstacles will be overcome because the Indonesian peoples are determined to take up the responsibilities and obligations of democratic self-government as we understand it.

We know that in our days no relationship between nations can be stable unless it is based on mutual consent and mutual effort.

Therefore we encourage them and we help them in their endeavor. Colonialism is dead.

We do not disown our past and the proud achievements of bygone days.

But a nation must be strong enough to make a new beginning.

We shall be strong enough.

What the peoples of the world need now is a new way of living together in close partnership based on equality and mutual trust.

It may well be that the solution being reached in Indonesia will set a pattern for solutions in wider parts of Asia.

A group of peoples of no less than 70,000,000 has come to the side of democracy as we understand it.

This is a great event.

Blessed with many riches of the earth a United States of Indonesia can take a great share in the common fight against famine and need.

In free association with The Netherlands, Surinam and the Antilles, a sovereign Indonesia will be able to carry on her economic development which already before the war was unprecedented in Asia.

Providing Europe and America with her goods and raw materials,

Indonesia will be able to make a real contribution to the tremendous efforts now being asked from the American people under the Marshall Plan.

Already the country is emerging from the confusion caused by the Japanese occupation.

Passions and distrust are calming down.

The noble words of freedom and patriotism resume their true meaning as Indonesian nationalists unite to build a federation throughout the far-flung group of islands.

By this common effort based on the same principles as the Atlantic Charter a new Indonesia is arising.

Both peoples, Dutch and Indonesians, look forward to the day when the United States of Indonesia, sponsored by the Netherlands, will take their rightful place among the United Nations.

Such a day will be a hard-won milestone on man's long road to liberty.



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